

NEWS SUMMARY

GENERAL

Court test for IRA law

Dublin's Supreme Court is to be asked to test on constitutional grounds part of the Irish Government's plan to crush the IRA.

In what may prove to be a crucial test case Mr. Cearbhall Ó Dálaigh, President of the Irish Republic, has referred the Government's Emergency Powers Bill to the Supreme Court.

This is the Bill which would give the police power to detain suspects for seven days without charging them.

However, the President has signed the Criminal Law Bill, the Government's other counter-terrorist measure, which provides stiffer penalties for a range of offences including IRA membership. This now becomes law.

Page 11

Bar killings

Two men were shot dead and two women injured when gunmen burst into a Belfast bar last night and sprayed the customers with bullets. One theory was that it was a reprisal for the murder earlier yesterday of a 17-year-old girl while she was looking after a neighbour's child at home in a Catholic district of Belfast.

Scots may vote on devolution

The Government has arranged by indirect means for a referendum on devolution in Scotland. Although mention of a referendum is unlikely in the Bill's November second reading, the Government will see to it that amendments calling for a referendum are made in the committee stage. Back Page; Assembly campaign, Page 10

Britain rejects EEC fish plan

The Government and Britain's fishing industry yesterday flatly rejected the EEC Commission's 12-mile fishing limit plan for the Irish Sea. George Thompson, European Commissioner responsible for regional policy, said it was not the end of the story, but simply the beginning. Page 10

Two lions at large in Herts

More than 100 police, some of whom were armed, zoo keepers and a helicopter, combed north Hertfordshire until dusk last night for two lion cubs which police warned could be dangerous to children. They were two of three lion cubs which escaped on the 11 when the door of their trailer burst open. The third cub was recaptured at a turkey farm near Stevenage by calling his name, Ewana. The search will resume at dawn. How to insure lions, Page 4

Close run thing

First public reaction in the U.S. to the Ford-Carter television debate was that President Ford had acquitted himself marginally better than his Democratic opponent, Jimmy and Gerry Show, Page 12

The rains came

Thousands of people in the South-West and in South-East Wales were saved from water rationing last night by heavy rain. In parts of Devon a plan to use standpipes was put off indefinitely. In Gwent rationing was lifted. Drought news, Page 13

Briefly...

The Kobi-Noor diamond is not to be handed back to Pakistan by Britain. Mr. James Callaghan has told Mr. Bhutto, Pakistan Premier.

James Hunt's victory in the British Grand Prix has been disallowed by the International Automobile Federation.

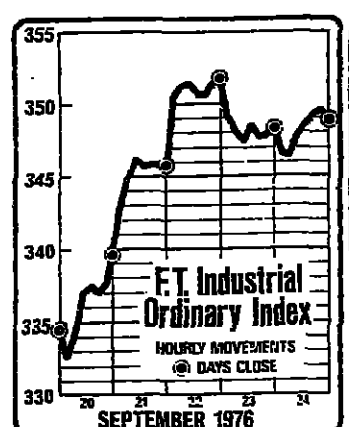
Patricia Hearst was jailed for seven years in San Francisco for her part in a bank robbery.

Widows of three postmasters gunned down by Black Panther Donald Neilson are to receive ex gratia payments of £2,000 each from the Post Office.

BUSINESS

Equities rise 14.4 on week; gold up

EQUITIES sparked little interest. The FT 30-share index gained 0.7 to 348.9 for a 14.4 rise



on the week. The All-Share was 0.1 per cent. up at 143.96.

GILTS moved up. The Government Securities rose 0.11 to 60.34 for a 0.71 gain on the week.

GOLD gained \$1 to \$1191.

STERLING fell 55 points to \$1.7060: its weighted depreciation worsened to another record closing low of 42.7 (42.5) per cent. The dollar's widened to 2.82 (2.79).

WALL STREET closed 1.49 down at 1,009.1.

Citibank lowers prime rate

CITIBANK announced a cut in its prime rate to 8 1/2 (7) per cent., thereby falling into line with the reduction announced by Morgan Guaranty, Continental Illinois and First National Bank of Chicago.

FRENCH commercial banks raised their base borrowing rate for major customers 0.4 per cent. to 9.6 per cent., following Thursday's increase in Bank Rate. Page 11

MITSUBISHI GROUP companies have won a ¥120bn. (£250m.) contract to build a thermal power station in Iraq. Page 11

MR. EDMUND DELL, Trade Secretary, is to call an urgent meeting with leaders of the British accountancy profession to discuss recent criticisms of accountants and auditors in several Department of Trade reports. Back Page

TREASURY has appointed Professor Geoffrey Maynard, presently Professor of Economics at the University of Reading, Deputy Chief Economic Adviser. Page 10

MR. ALAN BARRETT, deputy chairman of ICI's plastics division, has been appointed chief executive of Equity Capital for Industry, the City's new "equity bank". Back Page

PERSONNA International U.K. is closing its Glasgow factory, which employs 250. Page 10

NCE is likely to be allowed to double its borrowing limit under new legislation to finance its ambitious expansion programme. Page 10

U.K. TOURIST industry will earn in 1976 more than last year's record £1.1bn., forecast the Trade Secretary. Foreign visitors in the first five months were 13 per cent. up. Page 10

COMPANIES

ALLIED POLYMER Group first-half pre-tax profit fell to £0.27m. (£1.25m.). Chairman expects substantially improved results in the second-half and throughout 1977. Page 14 and Lex

WEARWELL suffered a pre-tax loss of £178,000 in the year to April 27, compared with £1m. profit previously. Page 14

DOWDING AND MILLS pre-tax profit for the year to July fell to £1.10m. (£1.22m.). Page 14

FERRY PICKERING pre-tax profit for the year to July fell to £0.54m. (£0.62m.). Page 14

CHIEF PRICE CHANGES YESTERDAY

| (Prices in pence unless otherwise indicated.) | | |
|---|----------|--|
| Treasury 13 1/2 1996 | 193 + 1 | |
| Treasury 9 1/2 1981 | 190 + 1 | |
| Abercom | 172 + 7 | |
| Advest | 135 + 8 | |
| Barlow Rand | 179 + 7 | |
| Cawoods | 64 + 3 | |
| Decoliter | 101 + 7 | |
| Farnworth (R.I.) | 42 + 5 | |
| Fluidrive | 42 + 5 | |
| Kursum Witty | 179 + 6 | |
| Gill and Dufus | 166 + 4 | |
| Lon 11 Sens Pils. | 371 + 3 | |
| Pleasantum | 35 + 4 | |
| Stocklake | 33 + 3 | |
| Thermal Synd. | 82 + 3 | |
| Whitman Reeve Angl | 111 + 9 | |
| Ayer Hiltan | 292 + 9 | |
| British Borneo | 114 + 8 | |
| Falcon Mines | 130 + 10 | |
| Globe and Phoenix | 60 + 10 | |
| Mangula | 120 + 10 | |
| Rhodesian Corp. | 35 + 7 | |
| FALLS: | | |
| Comb. Eng. Stores | 44 + 3 | |
| Elbur Ind. | 145 + 32 | |
| Hartle Machinery | 21 + 3 | |
| Intercontinental | 371 + 3 | |
| IRH South | 180 + 15 | |

RHODESIA TO IMPLEMENT KISSINGER PACKAGE WITHIN TWO YEARS

Smith accepts majority rule

BY BRIDGET BLOOM, AFRICA CORRESPONDENT IN SALISBURY

MR. IAN SMITH, the Rhodesian Prime Minister, last night announced that he and his Government have accepted a six-point package of proposals leading to African majority rule in Rhodesia within two years.

He announced that there would be an immediate meeting of African and European leaders who would set up an interim Government with an overall African majority.

Once that government is established, sanctions against Rhodesia will be lifted, the guerrilla war will end, and Rhodesians will receive substantial economic assistance from abroad.

In a nationwide broadcast, Mr. Smith said that Dr. Henry Kissinger, U.S. Secretary of State, had made it "abundantly clear" to him in Pretoria last week-end that unless the package was accepted Rhodesia "could expect no help or support of any kind from the free world."

In an obvious attempt to assure his white electorate that he had no alternative but to accept the package, Mr. Smith said: "The American and British Governments together with the major Western powers have made up their minds as to the kind of solution they wish to see in Rhodesia and they are determined to bring it about."

There can be little doubt that

the package as outlined by Mr. Smith represents a volte face in Rhodesian policy to date. However, key details remain unclear, and until they—and the vital reaction from African nationalist leaders—are known, there must be doubts as to whether the package can achieve its objective of a peaceful settlement of the 11-year-old Rhodesian crisis.

Mr. Smith listed the six points, which except for the last, he declared, were the "actual terms of the proposals put to me by Dr. Kissinger."

1—Rhodesia agreed to majority rule within two years.
2—Representatives of the Rhodesian government will meet immediately at a mutually agreed place with African leaders to organise an interim government to function until majority rule is implemented.
3—The interim government should consist of a Council of State, half of whose members will be black and half white, with a white chairman without a special vote. The European and African sides will nominate their representatives.
4—Mr. Smith said the council's function "will include legislation, general supervisory responsibilities and the supervising of drafting the constitution."

The interim Government should also have a Council of Ministers with a majority of Africans and an African First Minister. For the period of the interim Government the Ministers of Defence and Law and Order would be white.

Decisions of the Council of Ministers to be taken by two-thirds majority. Its functions should include delegated legislative authority and executive responsibility.

5—This point concerned Britain passing enabling legislation for the process to majority rule, following which the Rhodesian Parliament would do the same.

6—Upon the establishment of the interim Government sanctions will be lifted and all acts of war, including guerrilla warfare, will cease.

Mr. Smith was clearly at pains to emphasise for his white electorate that this concerned the establishment of a Trust Fund outside Rhodesia "which will organise and finance a major international effort to



Mr. Anthony Crosland (left), the Foreign Secretary, Mrs. Anne Armstrong, the U.S. Ambassador and Dr. Henry Kissinger, the U.S. Secretary of State arrive at the U.S. Embassy, in London yesterday.

Continued on Back Page

Callaghan announces review of financial institutions

BY MARGARET REID

THE GOVERNMENT is to set up a review of Britain's financial institutions, including the banking system, the Prime Minister said at Blackpool yesterday as the Labour Party prepared for its annual conference next week. The role of the Bank of England will come into the review's terms of reference.

At the same time Mr. Callaghan told the party's National Executive that the Government could not accept its proposals—due for debate next week—for nationalisation of leading banks and insurance companies. He would not recommend that such a plan should go into the next election manifesto. "It would be an electoral albatross," he said.

He promised legislation, in the wake of recent company scandals, to outlaw "insider dealing" and to deal with abuses arising out of loans made by companies to their directors.

City view

The City gave a cautious welcome to the planned review of its financial institutions. But it was predictably delighted that the Government is so firmly rebuffing the Executive's proposal to take the Big Four banks and seven largest insurance companies into state ownership.

The relief and welcome were no less eased by the serious embarrassment widely felt in the City on the eve of the Labour conference at such developments as the charges brought against financier Mr. Jim Slater, and

several critical reports of companies.

Lord Armstrong, chairman of the Midland Bank and of the banks special working party on the Labour Executive's proposals, said of the planned review of financial institutions: "I welcome it and think it a good beginning."

Mr. Ian Fraser, chairman of the City Capital Markets Committee and deputy chairman of Lazard Brothers, the merchant bank, said: "I am delighted the Prime Minister has reacted in this manner, and also delighted by his sensible and realistic stand over the banks and insurance companies. The City should never seek to defend the indefensible."

More positive

Mr. Jack Jones, general secretary of the Transport and General Workers Union, has more than once focussed attention on what he believes is the need for more positive Government direction in this field.

The Prime Minister's reference to the Neddly study was doubtless made with this in mind.

The review of financial institutions also comes against the background of highly critical recent Department of Trade reports on companies, including London and County Securities, Lombard and Ralph Hilton Transport Services (later called Roadships). This week has also seen the establishment of a Stock Exchange inquiry into dealings in Scottish and Universal Investments shares by the chairman, Sir Hugh Fraser, and other directors.

Mr. John Robertson, a deputy chairman of the Stock Exchange, said of the new City inquiry: "I wouldn't say we don't welcome it at all. We hope it does not impair the improved relations between the Department of Trade and the Stock Exchange, the statutory and the self-regulatory bodies."

He was glad of the planned legislation on insider trading and loans to directors, both in

£600m. Treasury issue oversubscribed

BY MICHAEL BLANDEN

AN ALMOST unprecedented lending rate, raised to 13 per cent. for the latest £600m. issue, a fortnight ago, could drop issue of Government stock next week.

The issue of a long-dated new loan in fairly quiet pre-stock carrying a record 14 1/2 per cent. coupon, and offering a return of over 15 per cent. at the offer price, was oversubscribed £1,700m. while its average depreciation yesterday, normally, edged closer against other currencies issues are only partly taken up by the public, with the rest being held by the authorities to be sold later on "top" by the Government broker.

The outcome of the issue was followed by the announcement of another £600m. stock issue at the short end of the market. The new stock, a further tranche of an existing 14 1/2 per cent. Treasury stock 1976, is to be issued at a price of 98 1/2 per cent., to yield 12 1/2 per cent. to redemption.

The success of the long issue and the terms of the new stock encouraged the market to feel that the Bank could soon start to allow a drop in the level of interest rates, with the possibility that the Bank's minimum

rate would fall to 10 per cent.

In New York, sterling fell to an indicated \$1.6965/7006 in very thin trading after the market generally closed, dealers said. This sets a new dollar low and is the first time the bid rate has fallen below what is considered the important psychological level of \$1.70, they added.

Lex, Back Page

1 in New York

Sept. 24 Previous

1 month \$1,700,701-5 \$1,710,712-0

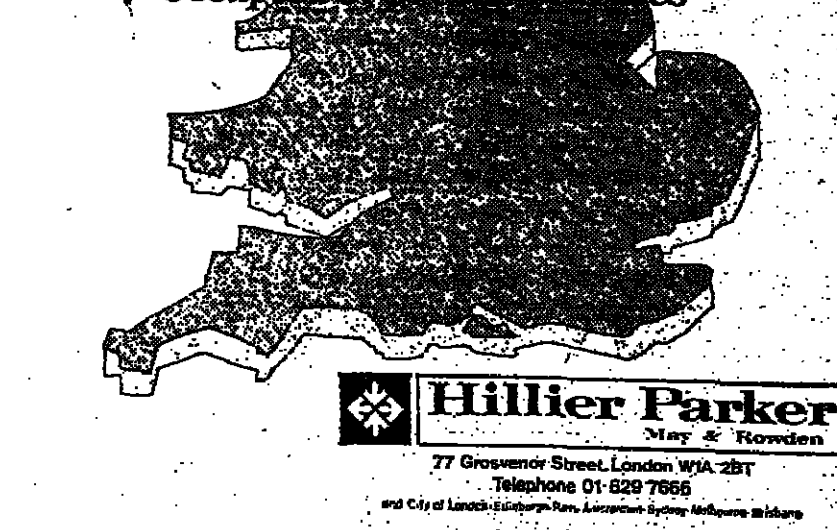
3 months 1,331,133-4 1,331,133-4

6 months 1,245,123-3 1,245,123-3

12 months 1,245,123-3 1,245,123-3

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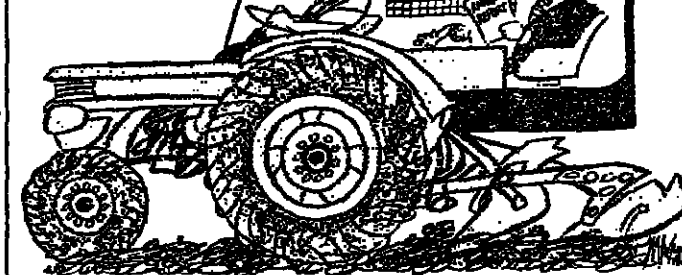
Fixed interest boost

ERIC SHORT

GOVERNMENT now Treasury 3½ per cent. 1977/78 for instance offers a 17 per cent. tax-free capital profit in four years. It is a brave man who will forecast a similar after-tax performance for the equity market, leaving aside the security superiority of gilt investment.

Investors looking for secure income will find a 15 per cent. gross return on undated gilts. With the reverse yield gap now nearly 81 points, it will take equities a long time in these days of dividend limitation to overtake that level on the income front.

Investors whose prime concern is maximum income with no thought to preserving capital may well find annuity rates looking attractive again. These rates are linked to interest rates over the medium term—7 to 10 years—and life companies have been lifting their rates recently in line with general interest rate movements. Prudential Assurance last week improved its annuity rates by 28 per annum on £1,000 invested, ahead of this week's interest rate movement, so another uprating could be on the cards.



Ear muffs & all

BY CHRISTOPHER HILL

THIS WEEK I met the managers of the Mutual Agricultural Property Fund—catering for approved pension funds and charities—who gave me a further insight into the growing institutional fascination with agricultural land. Following its initial offer in April 1976 the fund (sponsored by Hill Samuel) has got going fairly rapidly and now amounts to £2.2m. It owns two farms, one in Norfolk and the other in Bedfordshire, totalling 3,048 acres and the pension fund investors range from the £1m. fund to the big fellow of £100m.

What do the managers think of the nascent hostility to the institutional farm manager, recently depicted in the Press as the "faceless" man? What it amounts to is that they do not see themselves in the guise of men with slide rules and bowler hats telling the farmer what to do ("we wear jeans when we go down on the farm"), but as suppliers of much needed capital. Of course, what they are after is to increase the return on capital and in this sense "in hand" farms rather than old-style tenancies are an attraction. This is where the major criticism of institutional investment in agricultural land has occurred for it is felt by many that the farmer who has his roots in the soil can do better than the hired hand manager. But the MAPF managers do not agree that this is necessarily so.

One of their reasons is that the professional partnerships which are taking an increasing hand in farm management are efficient and that hard work by the individual does not necessarily amount to efficiency. Plooding across a field with "blue hands" is not the name of the game nowadays, said one of the MAPF men. Farming has apparently become a far more mechanised affair and a few highly paid agricultural workers

Restrained by controls

BY JAMES BARTHOLOMEW

AN INCREASED dividend from Lex Service Group announced this month has brought to light an unexpected way of raising dividends beyond the 10 per cent. limit. Rights issues and takeovers have been the most common methods but this was more bizarre: Lex brought its payment up to the level of 18 per cent. paid in 1967 and 1968 and the Treasury agreed to disregard the fact that two scrip issues have intervened. Thus while the nominal dividend has merely been returned to the earlier level, the effective dividend is 36 per cent. higher than that of 1968.

This Treasury ruling is just the latest in a line, suggesting that control over dividends is being gently relaxed. Earlier this month Lohrho was allowed to increase its dividends by 60 per cent. on the basis of a rights issue of only 1 for 8, while Inchcape was permitted to double its dividend in order to facilitate the purchase of Bain Dawes, the insurance brokers. The latter was unusual—though not unprecedented—in that a dividend rise was allowed for the purchaser in a bid situation rather than the defender.

But despite the variety of methods by which dividends may be lifted substantially, there are many companies whose payouts have been restrained by the controls. Some of them, meanwhile, have substantially improved their earnings and so their dividends are now well covered. This may be a good time to look at them.

First, the Treasury is making it easier to raise dividends substantially. Moreover dividend control must surely end one day—the continuing pressure for its demise will probably reach a new intensity when wage control is relaxed.

Secondly, dividend yield is now crucial to share ratings. Those companies which have increased dividends substantially have generally seen their shares benefit. Lohrho shares have risen 16 per cent. in just under three weeks since the increase was announced despite going ex-dividend in this time, while those of Inchcape have gained 7 per cent. over the same

| Company | Dividend Cover |
|----------------------|----------------|
| General Elec. | 5.63 |
| Unilever | 5.59 |
| Beecham Group | 5.11 |
| Thorn Elec. Inds. | 4.60 |
| Hawker Siddeley | 4.72 |
| Asd. Brit. Foods | 4.95 |
| Nat. and Commercial | 4.77 |
| Wimpey, George | 11.61 |
| Racal Electronic | 12.41 |
| Gestamer | 4.58 |
| Asd. Dairies | 9.71 |
| Howden, Alexander | 5.20 |
| Bank of Ireland | 6.15 |
| B.S.R. | 5.42 |
| Babcock and Wilcox | 5.14 |
| Taylor Woodrow | 4.53 |
| Johnson Matthey | 5.14 |
| Kershaw, A. | 5.74 |
| Reston Int. 'B' | 42.30 |
| Int. Computers | 6.08 |
| Laing, John | 5.92 |
| International Paint | 9.54 |
| Patterson Zochonis | 5.57 |
| Dixons Photo. | 4.62 |
| Coalite and Chemical | 4.42 |

Source: Datamatrix

period (the market generally has fallen slightly). C. E. Heath doubled its dividend in May and now the shares are 6 per cent. higher against a market fall of 16 per cent.

There remain several major companies which have the scope to increase their dividends sharply if they can obtain permission from the Treasury or if dividend control is ended. The table shows companies with dividend cover of more than 4 (and market capitalisation of over £20m.). Not all of these companies would be willing to make a significant change to their dividend levels but the list includes several which, in better days, would have been called "growth" stocks—such as Beecham, Racal Electronics and Patterson Zochonis.

Another aspect of the list is that only five of the 25 companies have taken part in the rush for rights issues over the past two years. This is partly because companies have increased their dividends at the time of their rights issues, thus reducing their cover and eliminating themselves from the list. But perhaps another reason is that many of the most profitable companies, which are well represented in the table, have had no need to make a call for new funds from shareholders.

A majority of the companies in the table will doubtless have to wait some time before they can improve their dividends radically but some of them might be in a position to employ the same argument as Lex Service Group. They are Alexander Howden, A. Kershaw, Racal Electronics, Wimpey and Coalite & Chemical. However, a rush to use this method could generate criticism of a political nature and the Treasury has maintained its flexibility by insisting that it judges each case on its own particular merits.

Hitting back

INSURANCE COMPANIES usually keep a stiff upper lip in the face of adversity, but this time they are hitting back at the nationalisation proposals of the Labour Party's National Executive Council. The arguments put out this week quite rightly have centred on the adverse effect on the overseas business of the industry. But individuals are more likely to be concerned with the effect on their life and motor policies.

On the life side, the managers point out that it is the job of insurance companies to protect the savings of policyholders by investing for their best long-term interests and not subject to short-term political expediency or pressures. One reason given by the NEC for nationalisation was that the insurance companies had not invested sufficiently in the manufacturing industries. But Mr. David Donald, general manager of Standard Life, a mutual company not immediately affected, recently spelt out in detail the ways life companies have invested in this sector.

The recent experience of the Canadian State of British Columbia in nationalising motor insurance should serve as a warning to individuals. This got into a complete mess after a few months and the State had to turn to the insurance companies to clear it up. This sums up the argument—can the Government manage the insurance industry better than the present incumbents and can the individual afford to find out the hard way. E.S.

Local authority loans

TERRY GARRETT

LOCAL AUTHORITY yearling have been issued over the couple of weeks with a rate of 12½ per cent.—a level since May, 1975, and only for one week. This is the attractive yields for local authorities, whether investing direct or through quoted securities.

There are three ways of investing. First is the quoted (normally for one year) and are issued every week and are bought in the stock market by a broker like any other security. Though an investor incurs the broker's charge there is the advantage that the bonds are negotiable and the holder is not tied in as he basically is in direct investment.

Another alternative is to invest directly. Many authorities arise in the Press for fixed rates, giving rates for various amounts of money. This has the advantage that fairly small sums of money can be placed at active yields. Apart from the Press the Local Authority Loans Bureau can arrange the holder could take

give help about what's on offer. A few examples this week include an authority offering 11½ per cent. on £1,000 for one year, while another is offering 12½ per cent. for £5,000. For two year money an investor could get 12½ per cent. for as little as £200, or 12½ on £250 for three years. One authority was taking as little as £100 for four years, offering 12½ per cent. in return, and £5,000 would get an investor 13 per cent.

For large sums it is as well to go to a money broker—there are many charges. Rates vary, but the following figures are typical for sums over £50,000. For one year the return is 13 per cent.; two years—13½ per cent.; three years—13½ per cent.; four years—14 per cent. and for five years 14½ per cent.

Rates are quoted gross, but the authorities deduct standard rate income tax on dividends generally paid half-yearly. The Local Authority Loans Bureau with fixed deposits is still worth while. Even if the holder is virtually locked in. There is no ready broker to handle he will usually be asked to sell a holding and though a transfer can be arranged the holder could take

come down since his purchase. One way of offsetting this problem is to write an option into the deed. For example an investor could take a two year investment with an authority with the option to cancel on a month's notice after 11 months known as 11 + 1 leaders. The period can be adjusted upwards, and though an option means a small cut in the return offered it does give the investor that extra bit of flexibility in that he can get out completely or renegotiate if rates have gone up.

Restructure your portfolio with the benefits of Schlesinger PIMS

Diversify internationally

International PIMS

AIM: to enable UK residents to spread their investment internationally while minimising exposure to the dollar premium. SUITABLE FOR: all investors who need to diversify their portfolios to the 40% recommended by Schlesinger.

The current estimated gross yield at 57.0p is 3.00%, distributed on 25 February and 25 August.

In the current economic climate of the U.K. Schlesinger believe it is only a matter of time before one of the commonest ways to diversify one's investments internationally.

An international outlook to trade and investment has always been a feature of the British. Such a policy not only provides wider diversification of risk but should offer better prospects for capital growth. This policy is particularly recommended at a time when there are many uncertainties facing the U.K. stockmarket. Accordingly Schlesinger currently recommend that at least 40% of an investment portfolio should be diversified internationally.

Schlesinger International PIMS Service is linked to the Trident International Growth Fund, which is designed to meet this need. Private investment overseas normally involves the Dollar Premium, with its complications and considerable penalties. Schlesinger minimise these problems by the use of back-to-back facilities, in which they specialise.

Currently Schlesinger place a heavy emphasis in the portfolio on the U.S.A. because 1 U.S. inflation over the last 12 months was only 5.6%, and is expected to decline further. 2 Profits are anticipated to rise by at least 20% in 1976 with further rises in 1977 and 1978. 3 The U.S. market is still historically cheap on a current year 10x p.e., compared with the range of 13-20x for the average in each year between 1956-76. 4 America is 100% self sufficient in food and 60% in oil. 5 Unions and both political parties understand the role of capital and profits.

Better than blue chips

Market Leaders PIMS

AIM: to remain fully invested in quality UK equities at all times so as to move closely with, or slightly ahead of, the market indices. SUITABLE FOR: blue chip investors who appreciate the need for a wider spread, continuous management and tax savings; and professional investors seeking an "index" fund.

The current estimated gross yield at 22.7p is 5.44%, distributed on 8 January and 8 July.

By investing in the Trident Market Leaders Fund—with PIMS—you can gain these benefits:

- 1 A carefully managed portfolio of leading blue chip companies in which the sector weightings are constantly managed with the aim of outperforming the market indices over a full market cycle.
- 2 A well spread portfolio covering all the leading shares listed below.
- 3 Tax savings because of the favourable capital gains tax treatment of unit trusts.
- 4 Schlesinger organise all the investment paperwork.
- 5 Cost savings from our share exchange scheme (see below).

Fully invested—an "index" fund

The Market Leaders Fund has been specially designed for individuals, Trustees or professionals who wish to decide how much of their invested capital should be in the UK market. The Fund therefore remains fully invested in the U.K. market at all times and you should expect the capital and income performance to move broadly in line with the U.K. market indices. In the long term however, we expect the sector weighting to enable the Fund to outperform the indices.

To restructure your portfolio, switch your shares using our share exchange scheme, and you will receive the market buying price instead of the usual selling price, less expenses, if you switch over £500 worth of any of the shares listed below into the Fund. Any switch would be regarded as a capital disposal. (Other savings can be achieved using this scheme. Please use the coupon to send for details.)

Highly taxed?

Nil Yield PIMS

AIM: to improve returns net of tax; to ensure more reliable capital growth using Schlesinger's unique 3-way portfolio. SUITABLE FOR: all higher rate taxpayers, trustees, children's investments, C.T.T. planning.

For higher rate taxpayers, income yield is far less attractive than capital gains made in an authorised unit trust: to the 70% taxpayer such gains are worth nearly 3 times the same income return, as the table shows:

| GROSS INCOME YIELD NEEDED BY | | | |
|------------------------------|--------------|--------------|----------------------------|
| 30% Taxpayer | 70% Taxpayer | 90% Taxpayer | To equal capital growth of |
| 8.7% | 14.6% | 43.7% | 5% |
| 17.5% | 29.2% | 87.5% | 10% |

The solution is plain: to invest for capital growth. However growth investment often involves a degree of volatility unacceptable to most investors.

The objective is to achieve this growth with a higher degree of reliability than a normal equity portfolio investing for capital growth. For this reason the Nil Yield Fund—with PIMS service—has three portfolios in one.

- 1 Fixed interest. An actively managed portfolio of Government Stocks and other fixed interest investments.
- 2 Overseas growth stocks with current emphasis on the U.S.A. Back-to-back currency facilities substantially avoid the risks of the dollar premium.
- 3 U.K. equities combining quality ordinary shares with the capital shares of dual capital investment trusts.

The proportions in the three portfolios are varied according to the Managers' view of investment conditions and the defensive aims of the Fund. They are currently: fixed interest, 45%; overseas 21%; U.K. 34%.

The Fund is designed for long term and relatively stable capital growth—it is unlikely to move up or down to the same extent as equity markets. As a guide, in the current market conditions, the Managers are aiming for a capital growth of 10-15% per annum, but of course this cannot be guaranteed. A small income, which will be accumulated, may arise about every two years, and the first occasion for those investing before October 9th will be this November.

11% plus growth prospects

Income PIMS

AIM: to provide both a high yield now and an increasing income in the future, plus growth to help protect your capital against inflation. SUITABLE FOR: standard rate taxpayers seeking a high and rising income to combat inflation.

The current estimated gross yield at 34.1p is 11.00%, distributed on 25 January and 25 July.

The Trident Income Fund, with PIMS, is managed by Schlesinger using a specialist portfolio which is currently 28% in U.K. equities plus 32% income shares of dual capital investment trusts, 4% convertibles and 35% preference shares.

This offers:

- 1 A high income now. At 11.0%, the starting yield is more than 50% higher than that of ordinary shares as measured by the Financial Times Index.
- 2 An increasing income in the future. The prime long term investment aim is to maintain the growth in your net income distributions per unit, as shown in the table, so that they continue to out-strip inflation as measured by the Retail Price Index.

Whilst past achievement cannot guarantee future performance, the pattern of income growth shown in the graph will reassure every investor anxious about inflation.

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Schlesinger PIMS

Finance and the family

Extravagant maintenance

BY OUR LEGAL STAFF

I have a leasehold flat in a block of 40, the terms of the lease being that each tenant pays for maintenance in proportion to rateable value. For the 4 years after I acquired the lease I paid £75 a year for maintenance, though very little was done. The property was then sold to another company, who put in hand extensive repairs and decorations, as a result of which I have received an account for the normal £75 on account plus a proportion of the cost of the big operation amounting to over £900. Can the ground landlords suddenly demand complete decoration of a large building in this fashion? Can payment in full or in part be demanded before the work is completed? What if the work proves to have been done inefficiently?

It is a matter of contract under the terms of your lease whether or not the landlord for the time being can carry out works of maintenance which can then be charged to the tenants. It would be quite normal for that to be the case, but only a careful analysis of the precise terms of your lease can resolve the precise extent of your liability. However, there is now a limit on the landlord's ability to incur expense on your behalf introduced by Section 124 of the Housing Act 1974. The provision limits the amount recoverable from a tenant for service charge to bringing the premises to a reasonable standard and to a reasonable cost thereafter; and requires con-

sultation with the tenants in respect of any item costing more than £2,000. We suggest that you join with the other tenants and consult a solicitor. Subject to those statutory restrictions, the landlords can suddenly require the building to be redecorated if the lease empowers it to do so. However, the landlord cannot normally demand payment in advance, but only reimbursement of costs actually incurred (except insofar as there is provision in the lease for quarterly payments on account).

We suggest that the quality of the work be a matter for discussion under the statutory provision for consultation already mentioned.

Advantages of a company

I have a lease on a maisonette, one of 25 and the freehold of the land is owned by a management company, of which the lessees own all the shares. The company is responsible for maintaining the common areas. Are there any advantages in winding up the company, which presumably pays corporation tax, etc., and converting the leaseholds to freeholds?

There are advantages in retaining the company in most cases, although the full extent of rights and liabilities depends, of course, on the scheme of leasehold covenants and the company's constitution. Nor-

mally a company such as you describe is designed not only to administer the maintenance of common parts, but also to enable positive covenants in the individual leases to be enforced at the instance of the majority of the flat-owners. These aspects are far less easily controlled if the flat-owners each acquire their freehold reversions.

Injurious affection

I have examined the Land Compensation Act 1973 particularly with regard to "injurious affection" but am not clear how compensation would be assessed in a case such as mine where a fly-over is to be built on a by-pass in front of my house. Could you advise me?

The notional value of the property disregarding the planning proposal which creates the injurious affection is capable of being determined on ordinary principles applicable in the field of valuation. An expert valuer would have to be consulted, but he or she should have no difficulty in arriving at a valuation to set against the actual value.

Letting to a company

I control a company which owns a flat. To avoid the restrictions of the Rent Acts, if a prospective tenant agreed to form a

company for the purpose of taking on a lease, would this be effective?

A letting to a company will not normally attract Rent Act control, but that is not invariably the case. Such a letting must expressly prohibit subletting in unqualified terms—otherwise a subtenant will have the protection of the Acts. The formation of a company solely to be placed as a buffer between the landlord and the occupier will not operate to exclude the Rent Acts: it is in cases of that kind that the general rule is not applied. If necessary the Court may treat the corporate entity as a sham and ignore it. The problem of letting residential property without falling inside the Rent Acts is very complex and is best considered in the light of the particular facts of each situation. You should consult a solicitor.

Co-executor of a will

I am co-executor of a will which reads in part as follows: "(a) 'All moneys in the nature of income received after my death or after the death of any life tenants shall be treated and applied as income accrued after such death... (b) 'no property not actually producing income shall be treated as producing income...'. Could you please explain the intention and effect of these?

The object of (a) is to exclude

the rules of equity which otherwise apply to make complicated apportionments designed to ensure fairness of treatment between beneficiaries. These rules would otherwise apply to spread the actual income evenly and thus ensure that accidents of date or timing do not enable one beneficiary to benefit at the expense of another. The words following (b) are apparently designed to prevent the operation of rules which would otherwise require an interest in reversion to be treated as a notional sum plus notional interest, together producing the sum actually realised or valued when the reversion falls in.

Exemplary damages

I am the freeholder of a large house and garden of which a builder has recently acquired the 999-year lease. Without my permission he has demolished the house's outbuildings and has erected a wall right across the garden. What steps do you recommend me to take, please? Would I be likely to obtain damages, as the terms of the lease have been infringed?

If the lease contains covenants by the tenant which are broken by the builder's actions you can both seek to forfeit the lease and claim damages. With a lease of such length the tenant

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

A boundary hedge

My neighbour's privet hedge, planted as near as possible to the party fence, has now reached a height of six feet, rendering it difficult for me to trim my side. How high should such a hedge be permitted to grow? Can I dispose of my hedge cuttings, after trimming my side, by depositing them in my neighbour's property?

In so far as any of the hedge is growing on your side of the boundary, you may cut it back to the boundary and deposit the trimmings on the hedge-owner's side. If however the hedge does not protrude on your side of the boundary you cannot do so. Under planning law a boundary fence or hedge should not exceed two metres in height, but enforcement is in the hands of the local planning authority. You have no course of action yourself, and it may prove difficult to persuade the planning authority to serve an enforcement notice.

Insurance

Cover for lions

BY JOHN PHILIP

ALTHOUGH THERE are now almost as many different policy wordings as there are insurers, it is still true to say that there are two main kinds of household policy—those on buildings and those on contents: yet this is something less than the full truth because both insurances can be obtained in one contract.

Assuming you have both or a combined policy, have a look at the legal liability protection that your insurers provide.

Take the buildings policy first. Whatever the exact words and whatever the financial limit, you will find a clause protecting you in your capacity as owner of the home against liability to the public for injury and damage; but almost certainly this clause will exclude any liability you may incur in your capacity as occupier or tenant. Since most legal claims for accidents in or around your home will be made against you in your capacity as occupier, if you look no further, this exclusion will, to say the least, appear most unsatisfactory.

But do not despair. Turn to your contents policy and you will there find another legal liability clause, which is designed to be complementary to the one in the buildings policy so that, whatever the precise words that are used by individual insurers, you will have cover as occupier or tenant, subject to the exclusion of any liability you may incur in your capacity as owner.

The two liability covers therefore interlock and, provided you have both buildings and contents policies, even with different insurers, normally there should be no question of your being left uninsured if a claim is made against you for example, for injury caused by tiles falling off the roof on to passers-by, or for damage caused by trees falling on to neighbouring properties.

Once they have accepted responsibility to deal with any claim made against the household, it is of course up to insurers to decide whether or not to dispute it with the person who has suffered injury or damage: for here, insurers operate within our complex legal liability laws and are entitled to avail themselves of any defences that would be available to the individual policyholder. So, for example, they will pay the neighbour for the woodshed crushed by a pet, if it will be no use producing falling tree, only if on established legal principles there is legal liability: if the damage has been caused by the falling of a clearly dead tree from your garden, you are more likely to be legally liable than if an apparently healthy tree in full leaf has come down.

This difference may not make for good neighbourly relations, but the law is reasonably clear, and insurers must apply the law. Many home contents policies nowadays include a considerable measure of what insurers call personal liability cover, providing a policyholder not only for the policyholder but for his family (the precise terminology varies from policy to policy).

So if you are one of the few who have such an animal as a pet, it will be no use producing falling tree, only if on established legal principles there is legal liability: if the damage has been caused by the falling of a clearly dead tree from your garden, you are more likely to be legally liable than if an apparently healthy tree in full leaf has come down.

In the policy clause I have quoted previously, there is the exclusion liability in connection with aircraft. Insurers do not only full-size aircraft, but also model aircraft, and so on, with this kind of exclusion which for the policyholder but for his family (the precise terminology varies from policy to policy).

Investment sectors bounce about these days like so many rubber balls. Commodities shoot up, equities fall back, gifts are the best-buy one month and the worst the next. So if you hope to make real money as an investor you have to be quick on your feet. More than ever, you must know the answer to the three "whens": when to buy, when to sell, when to switch from one investment sector to another.

And that's where THE PRIVATE INVESTOR'S LETTER comes in. Its sole aim is to give you the right answers to those three "whens". Month-by-month PIL's easy-to-follow Investment Form Guide keeps you on top of the crucial investment sectors—including equities, gifts, commodities, the money markets, property—and tells you exactly what you should be buying and selling in order to make your capital grow steadily with minimum risk.

PIL is brief, readable and, above all, accurate. It is the new-style investment guide for today's new-style investor. Take this opportunity now to see two issues for yourself, free and without obligation.

TO: THE PRIVATE INVESTOR'S LETTER

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Education

Ring of confidence

IT IS easy to bemuse oneself over the personality of Shirley Williams, former Financial Times reporter and new Secretary for Education and Science. Witness my first meeting with her on a chilling day seven years ago. Waiting, highly polished, outside a posh restaurant, I saw her pop out of an official car onto the opposite pavement, smile a big smile, and run across the road as fast as her nearly knee-length cardigan and gum boots would permit. I have been a bit dotty about her ever since.

The effect is not to camouflage her fighting abilities. It is more a transmission of confidence that she is really on your side—a confidence which I suspect would last even though she might seem to be going against you.

If so, her new appointment would be the best event for education for many years. The challenge facing her has faced all three of her predecessors since the end of the unquestioning enthusiasm and munificence of the 1960s. It is to get the education service to stop behaving like a spoilt child screaming for more spending money, and set about trying to earn its keep.

Within the confines of the prevailing, and at best irrelevant, political dogmas about education, all three predecessors have tried. But the only outcome has been to leave the child just as spoiled as it was before, though rather more frustrated and squabbling.

The nature of Mrs. Williams's problem can be divined from this week's report dealing with

the inquiry into the making of educational policy, which was conducted recently by the mixed party MPs' committee on public expenditure (House of Commons Paper 621: S.O., £8.85).

The image of the process suggested by the report is of an Eton wall game being played inside a big, strong sack with a hole in the top, through which the bystanding public are required continually to pour their money. As far as can be seen, the only change that any significant educational interest group would be likely to support would have to be, first, in external factors such as the laws of economics or human nature, or failing that, in the practices of some other professional group with interests remote from its own.

Indeed, the MPs indicate that in the attempt to change the system so as to serve the needs of the public who consume and pay for its activities, Mrs. Williams could not even count on the support of her senior civil servants at the Department of Education and Science. Because the report depicts the DES as yet another professional interest group more polished, powerful and sinister than any else.

But, in presenting the DES as the major villain of the piece, the back-bench committee seems to have been over-influenced by the Tweedledum/Tweedledee conflict between MPs and mandarins, in which each side's sensitivity to offence by the other is matched only by its callousness towards the sub-

ceptibilities of the other's position.

Take for example the educational civil servants' refusal to show the Commons committee the self-same detailed planning papers which they had previously made available to a mixed-nationality group of academic eminences investigating the making of educational policy on behalf of the Organisation for Economic Co-operation and Development. That could hardly be relied on to promote judicious detachment among an official committee of British public figures who see themselves as the electorate's representatives in the democratic running of the country.

On the other hand, take the MPs' main charge that the Civil Service in general, and the Education Department in particular, have a compulsion neurosis about keeping things secret.

To show how archaic these secretive customs are in the modern age, the Commons report declares: "These conventions, which are traditional and for the most part unwritten, grew up when government was more autocratic and public opinion less well informed; they served to 'prevent embarrassment'."

In stating that sentence, the MPs committee has laid before Parliament a fine curate's egg. Certainly, autocracy is no longer a word for government; my instinctive choice at present would be paralytic. And one of the reasons for government's being in such a state is that, where education at least is con-

cerned, the public is not well informed. It is continually misinformed.

Ironically, a fruitful source of the mythology is Members of Parliament. As just one example, I quote the claim that a study of GCE Ordinary-level grades showed that educational standards were falling, which was made loudly by Conservative MPs this summer. The fact is that, while nobody can be sure what educational standards are, anybody can be certain that whether the standards are falling, rising or standing still simply cannot be shown by a study of GCE grades. (There is no room here to explain why; if you don't believe me, ask Sir Alex Smith, chairman of the Schools Council.)

But as a source of myth, MPs must surely give pride of place to the educational pressure groups themselves. The best recent example is the speech made in Southampton on Wednesday by Doug McAvoy, deputy general secretary of the National Union of Teachers, in which he declared that, because the Government is including the education service in its public expenditure economies, children are being "sacrificed on the high altar of international finance."

The ways in which the innocents are being massacred, as revealed by Mr. McAvoy, include teaching them in classes larger than they might have been, because of the Government's refusal to employ all of the new teachers who left the training colleges this summer; and the cutting of expenditure



Shirley Williams

on equipment such as books.

But he did not add that, however much teachers prefer to work with smaller classes, none of the numerous research studies of the topic has ever shown them to have a beneficial effect on the children's educational attainments; if anything, the findings hint that pupils do better in bigger classes. Nor did he explain that money is being saved on books and other equipment primarily because the unions would not like the alternative of employing even fewer teachers and other unionised officials.

So faced with this apparent tendency among the professionals and politicians to present to the public an arguably partisan version of the facts, it seems understandable that the Civil Servants prefer to preserve the facts from distortion

until the policy based on them is ready for announcement.

Which brings us back to Shirley Williams's confidence-inspiring personality. Armed with this, and her deserved reputation for straight talking, she has an unprecedented platform of going into the public to the electorate, through whatever smokecreens may be thrown up by self-interested professional groups.

One of the television programmes I would most like to see, for example, would be a discussion in which Mr. McAvoy, in Mrs. Williams's presence, tried to convince the viewers that the new Secretary for Education and Science could ever sacrifice children on the high altar of anything.

MICHAEL DIXON

Chess

TONY MILES'S grandmaster title may prove to be the chess equivalent of the first four-minute mile, encouraging others to make a similar personal breakthrough.

Recently British players scored two grandmaster results within a week. Michael Stean of Richmond finished equal second behind world champion Anatoly Karpov in the traditional Montilla-Moriles wine tournament near Cordoba, Spain, and so scored one of the three grandmaster results required to

qualify for the title from short tournaments.

Karpov outclassed the field with a score of 7 out of 9 which could have been more; he eased up in the final three rounds when the tournament was virtually won.

Stean totalled 5½ to share second prize with Kavalek (U.S.) and Calvo (Spain); other scores were Pileger (West Germany) 5, Byrne (U.S.) 4½, Belton (Spain) 4, Pomeroy (Spain) 3, and Fragalet (Spain) 1½.

Stean was unbeaten, finished in front of four grandmasters, and as so often these days in international chess, the British player, at 22, was the youngest

trump, North raised his partner to two spades, and East came in with three diamonds. South now showed his second suit with three hearts. North gave simple preference with three spades, but after East's bid of four clubs, South pressed on with four spades, and all passed.

West led the diamond Queen, and East won with the Ace, and returned his singleton trump. This was ducked to the King, and West continued with a second trump to dummy's ten. Having already lost two tricks, the declarer saw that he must develop hearts with the loss of only one trick if he was to fulfil his contract. West's one no trump overall announced at least 16 points, so after East had produced the diamond Ace, it was likely that West had both King and Knave of hearts. If he had only two cards in the suit, there was no problem, but South thought he probably had three hearts. The advanced finesse was the one chance of getting home.

South led dummy's four of hearts, and when East played low, finessed the nine, losing to West's Knave. A third spade

was taken in hand, and the Queen of hearts was led. West covered with the King, the Ace won, East's ten was pinned, and the contract was delivered.

A fine performance by South, but then, if your bidding is optimistic, you must make up for it by first class dummy play. My next example is of later vintage—it occurred in a top level match:

♠ N
♥ J 8 5 2
♦ A 9 4
♣ A K 7 4 3

♠ E
♥ K Q J 9 4
♦ K Q 6
♣ K 10 8 7 5 2 Q 6

♠ S
♥ A 7 6 3
♦ A 7 4
♣ J 3

♠ Q 10 6 5

At love all East dealt and bid one spade, South passed. West raised to two spades, and North doubled for a take-out. The opening bidder said three spades pre-emptively, but this

did not prevent South from bidding four clubs, and after four spades from West, North's five clubs concluded the auction.

On West's two of spades dummy threw a diamond, South won with the Ace, and trumps were drawn. With an inescapable loser in diamonds, the declarer was faced with much the same problem as the declarer in our first hand. East was marked with both King and Queen of hearts by his opening bid, and again it was a question of determining whether he had two or three cards in the suit. He finally decided that West, who had four spades and a singleton club, would have jumped to four spades immediately if he had had six diamonds. So, placing East with only two hearts, South played his Ace, and went down.

I am not sure that I admit the validity of South's reasoning, but in any case I know that I would have chosen the advanced finesse method. How can one pass up the opportunity of bringing off a coup that offers itself but rarely?

E. P. C. COTTER

ites have found techniques to offset some of the increased costs. They play two games with each opponent rather than one, and make extensive use of conditional moves to speed up the opening.

By such methods it is still possible to play a complete tournament lasting 3-6 months against a variety of opponents without venturing further than the nearest pillar box.

The secretary of the British Postal Chess Federation, Mr. R. Gillman, 85, Hilliard Road, London W.7, can supply information on postal chess events for players of any or no strength.

White: N. G. Koplov (Soviet Union) Black: A. S. Hollis (Britain). Notes based on the winner's comments. Opening: Grünfeld Defence (Potter Memorial 1975-76).

The opening moves were: 1. N-K3, N-K3; 2. P-B4, P-K3; 3. N-B3, P-Q4; 4. P-Q4, B-N2; 5. B-B4, Q-Q; 6. B-B1, P-B4; 7. Q-PxP, B-K3; 8. N-Q4, N-B3; 9. N-B3, P-N; 10. P-K3, Q-R4; 11. Q-R4, Q-BP; 12. Q-N5, Q-Q; 13. P-Q, N-QR4; 14. B-K2, Q-R1; 15. Q-Q, N-B5; 16. P-QN3, N-Q7; 17. K-R1, N(7)-K5; 18. N-R4, P-N4; 19. B-N3.

The player, who probably made liberal use of conditionals up to this point, where White finally varies from the 19 B-B7 of Portisch-Evans, Havana 1964, is: 19. P-KR4; 20. P-B3, N-B3; 21. P-N, P-N5; 22. N-B5, B-R3; 23. P-B4, K-B2; 24. N-NP (otherwise Black plays R-QB2 and the knight is soon ejected); 25. B-K2, R-K7 (too timid; White should hold his KNP by 25 K-R2. He may have feared a later P-KR5, but Black has no clearcut line); 26. B-Q3, N-P (this pawn does not matter so much in itself, but White's black-square structure is now demolished); 27. K-B2, P-R5; 28. N-R5, P-K4; 29. P-K4 (Black's united passed pawns must win); 30. N-K3, B-N3; 31. K-R1, B-B1; 32. N-P, Q-Q; 33. K-Q3, B-B1; 34. R-K1, B-B1; 35. R-K1, B-B1; 36. R-K1, B-B1; 37. R-K1, B-B1; 38. R-K1, B-B1; 39. R-K1, B-B1; 40. R-K1, B-B1; 41. R-K1, B-B1; 42. R-K1, B-B1; 43. R-K1, B-B1; 44. R-K1, B-B1; 45. R-K1, B-B1; 46. R-K1, B-B1; 47. R-K1, B-B1; 48. R-K1, B-B1; 49. R-K1, B-B1; 50. R-K1, B-B1; 51. R-K1, B-B1; 52. R-K1, B-B1; 53. R-K1, B-B1; 54. R-K1, B-B1; 55. R-K1, B-B1; 56. R-K1, B-B1; 57. R-K1, B-B1; 58. R-K1, B-B1; 59. R-K1, B-B1; 60. R-K1, B-B1; 61. R-K1, B-B1; 62. R-K1, B-B1; 63. R-K1, B-B1; 64. R-K1, B-B1; 65. R-K1, B-B1; 66. R-K1, B-B1; 67. R-K1, B-B1; 68. R-K1, B-B1; 69. R-K1, B-B1; 70. R-K1, B-B1; 71. R-K1, B-B1; 72. R-K1, B-B1; 73. R-K1, B-B1; 74. R-K1, B-B1; 75. R-K1, B-B1; 76. R-K1, B-B1; 77. R-K1, B-B1; 78. R-K1, B-B1; 79. R-K1, B-B1; 80. R-K1, B-B1; 81. R-K1, B-B1; 82. R-K1, B-B1; 83. R-K1, B-B1; 84. R-K1, B-B1; 85. R-K1, B-B1; 86. R-K1, B-B1; 87. R-K1, B-B1; 88. R-K1, B-B1; 89. R-K1, B-B1; 90. R-K1, B-B1; 91. R-K1, B-B1; 92. R-K1, B-B1; 93. R-K1, B-B1; 94. R-K1, B-B1; 95. R-K1, B-B1; 96. R-K1, B-B1; 97. R-K1, B-B1; 98. R-K1, B-B1; 99. R-K1, B-B1; 100. R-K1, B-B1; 101. R-K1, B-B1; 102. R-K1, B-B1; 103. R-K1, B-B1; 104. R-K1, B-B1; 105. R-K1, B-B1; 106. R-K1, B-B1; 107. R-K1, B-B1; 108. R-K1, B-B1; 109. R-K1, B-B1; 110. R-K1, B-B1; 111. R-K1, B-B1; 112. R-K1, B-B1; 113. R-K1, B-B1; 114. R-K1, B-B1; 115. R-K1, B-B1; 116. R-K1, B-B1; 117. R-K1, B-B1; 118. R-K1, B-B1; 119. R-K1, B-B1; 120. R-K1, B-B1; 121. R-K1, B-B1; 122. R-K1, B-B1; 123. R-K1, B-B1; 124. R-K1, B-B1; 125. R-K1, B-B1; 126. R-K1, B-B1; 127. R-K1, B-B1; 128. R-K1, B-B1; 129. R-K1, B-B1; 130. R-K1, B-B1; 131. R-K1, B-B1; 132. R-K1, B-B1; 133. R-K1, B-B1; 134. R-K1, B-B1; 135. R-K1, B-B1; 136. R-K1, B-B1; 137. R-K1, B-B1; 138. R-K1, B-B1; 139. R-K1, B-B1; 140. R-K1, B-B1; 141. R-K1, B-B1; 142. R-K1, B-B1; 143. R-K1, B-B1; 144. R-K1, B-B1; 145. R-K1, B-B1; 146. R-K1, B-B1; 147. R-K1, B-B1; 148. R-K1, B-B1; 149. R-K1, B-B1; 150. R-K1, B-B1; 151. R-K1, B-B1; 152. R-K1, B-B1; 153. R-K1, B-B1; 154. R-K1, B-B1; 155. R-K1, B-B1; 156. R-K1, B-B1; 157. R-K1, B-B1; 158. R-K1, B-B1; 159. R-K1, B-B1; 160. R-K1, B-B1; 161. R-K1, B-B1; 162. R-K1, B-B1; 163. R-K1, B-B1; 164. R-K1, B-B1; 165. R-K1, B-B1; 166. R-K1, B-B1; 167. R-K1, B-B1; 168. R-K1, B-B1; 169. R-K1, B-B1; 170. R-K1, B-B1; 171. R-K1, B-B1; 172. R-K1, B-B1; 173. R-K1, B-B1; 174. R-K1, B-B1; 175. R-K1, B-B1; 176. R-K1, B-B1; 177. R-K1, B-B1; 178. R-K1, B-B1; 179. R-K1, B-B1; 180. R-K1, B-B1; 181. R-K1, B-B1; 182. R-K1, B-B1; 183. R-K1, B-B1; 184. R-K1, B-B1; 185. R-K1, B-B1; 186. R-K1, B-B1; 187. R-K1, B-B1; 188. R-K1, B-B1; 189. R-K1, B-B1; 190. R-K1, B-B1; 191. R-K1, B-B1; 192. R-K1, B-B1; 193. R-K1, B-B1; 194. R-K1, B-B1; 195. R-K1, B-B1; 196. R-K1, B-B1; 197. R-K1, B-B1; 198. R-K1, B-B1; 199. R-K1, B-B1; 200. R-K1, B-B1; 201. R-K1, B-B1; 202. R-K1, B-B1; 203. R-K1, B-B1; 204. R-K1, B-B1; 205. R-K1, B-B1; 206. R-K1, B-B1; 207. R-K1, B-B1; 208. R-K1, B-B1; 209. R-K1, B-B1; 210. R-K1, B-B1; 211. R-K1, B-B1; 212. R-K1, B-B1; 213. R-K1, B-B1; 214. R-K1, B-B1; 215. R-K1, B-B1; 216. R-K1, B-B1; 217. R-K1, B-B1; 218. R-K1, B-B1; 219. R-K1, B-B1; 220. R-K1, B-B1; 221. R-K1, B-B1; 222. R-K1, B-B1; 223. R-K1, B-B1; 224. R-K1, B-B1; 225. R-K1, B-B1; 226. R-K1, B-B1; 227. R-K1, B-B1; 228. R-K1, B-B1; 229. R-K1, B-B1; 230. R-K1, B-B1; 231. R-K1, B-B1; 232. R-K1, B-B1; 233. R-K1, B-B1; 234. R-K1, B-B1; 235. R-K1, B-B1; 236. R-K1, B-B1; 237. R-K1, B-B1; 238. R-K1, B-B1; 239. R-K1, B-B1; 240. R-K1, B-B1; 241. R-K1, B-B1; 242. R-K1, B-B1; 243. R-K1, B-B1; 244. R-K1, B-B1; 245. R-K1, B-B1; 246. R-K1, B-B1; 247. R-K1, B-B1; 248. R-K1, B-B1; 249. R-K1, B-B1; 250. R-K1, B-B1; 251. R-K1, B-B1; 252. R-K1, B-B1; 253. R-K1, B-B1; 254. R-K1, B-B1; 255. R-K1, B-B1; 256. R-K1, B-B1; 257. R-K1, B-B1; 258. R-K1, B-B1; 259. R-K1, B-B1; 260. R-K1, B-B1; 261. R-K1, B-B1; 262. R-K1, B-B1; 263. R-K1, B-B1; 264. R-K1, B-B1; 265. R-K1, B-B1; 266. R-K1, B-B1; 267. R-K1, B-B1; 268. R-K1, B-B1; 269. R-K1, B-B1; 270. R-K1, B-B1; 271. R-K1, B-B1; 272. R-K1, B-B1; 273. R-K1, B-B1; 274. R-K1, B-B1; 275. R-K1, B-B1; 276. R-K1, B-B1; 277. R-K1, B-B1; 278. R-K1, B-B1; 279. R-K1, B-B1; 280. R-K1, B-B1; 281. R-K1, B-B1; 282. R-K1, B-B1; 283. R-K1, B-B1; 284. R-K1, B-B1;

Motoring

Alfasud's better
than most

STUART MARSHALL

A ROMEO'S Alfasud must be a motor industry equivalent of a golfer's hole in one. It was this quality car maker's venture into the popular saloon market, and their front-wheel drive car. And got it dead right, first time.

The Alfasud is still a favourite car because it is called a combination of a Citroën GS, which has been better ride over real roads. But, as an Alfa Romeo, it has no such design goes back to the mid-1970s, though production did not start until 1972. It is a pretty remarkable achievement.

Three versions of the Alfasud have been made so far—two-door saloon, two-door TI, and three-door estate. The latter has never been sold over here, though it probably will be.

Alfasuds have flat-four engines of 1,186 cc capacity, developing 63 horsepower at 5,600 rpm in the saloons, 68 horsepower in the estate, 68 horsepower in the TI. Despite its small head camshafts, it is all very serviceable and easy to service. The double double-bulkhead between engine and passenger compartment act rather double glazing and shut out the noise out. So, how hard you thrash an Alfasud

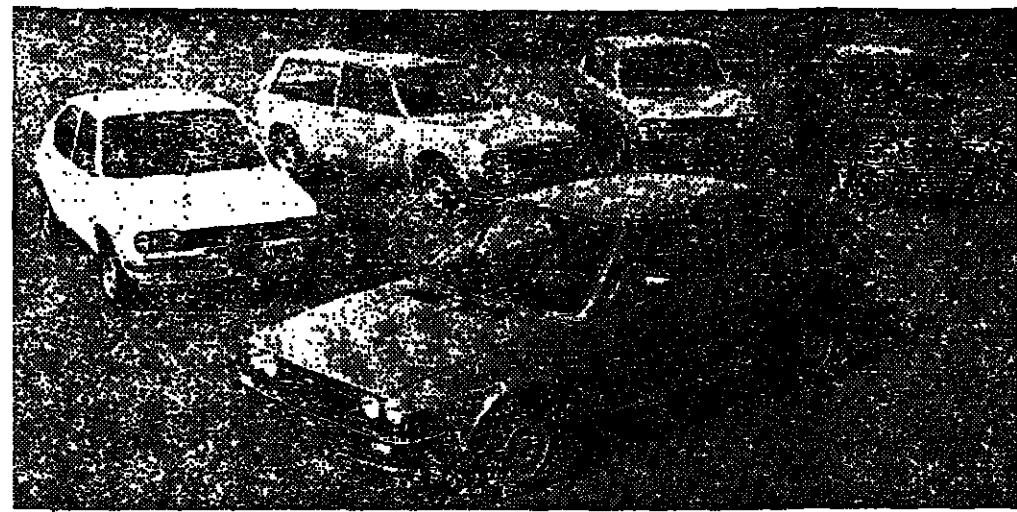
—and it is the kind of car that invites spirited driving—it doesn't get raucous.

Coil spring suspension is independent only at the front; the steering is by rack and pinion front-wheel drive car. And safety circuits. It was, I suppose, unthinkable that a company with Alfa Romeo's distinguished record could have considered lowering their standards when getting into the mass market. In keeping with this philosophy, the Sud gives the family car buyer the precise response, the well-balanced obedience that the traditional Alfa Romeo buyer has always paid extra for.

The Sud (like the Mini or Fiat 127) is much bigger inside than you would imagine from the outside. There is plenty of room for four adults, just enough for five, with more than adequate headroom and a good boot.

In the past, only the TI coupé has had the five-speed gearbox one automatically associates with Alfa Romeo. Now this feature is available in a saloon, the Alfasud 5m, which costs £2,299 compared with £2,198 for the de luxe four-speed saloon, £1,999 for the standard version. To a cold, accountant's eye, £100 may seem like an awful lot of money for an extra cog, but it adds the finishing touch to a super little car.

The fifth gear is not an overdrive and does not increase the maximum speed of around 95 mph. But it allows the engine to be used more effectively,



The Alfasud family. In the foreground, the new Sprint. Behind it (L to R) are the standard saloon, estate car, luxury saloon and TI coupé.

which the press-on driver will use for quicker acceleration and the economy-conscious owner to reduce fuel consumption. The shift is as good as one expects of an Alfa Romeo. You can snatch fourth from fifth at 80 mph with a flick of the hand, and the 60 mph third is ideal for nipping past the lumbering trucks that clutter up our B roads.

Sheer performance aside, the joy of the Alfasud is its agility, which goes with roadholding, which should be good enough even to keep an insensitive leaden-footed driver out of trouble. Many a so-called sports car would be hard put to it to keep up with an Alfasud 5m on a winding road, even if it was four-up with a boot full of luggage.

The latest variation on the Alfasud theme will not reach Britain until early in the New Year but I had the pleasure of trying it in Italy last week. This is the Sprint, a sporting four-seater in the Alfa Romeo

Giulietta, Giulia and GT Junior tradition but, for my money, better than any of them.

The engine capacity has been increased to 1.3 litres and the power output to 76 bhp. Aided by an elegant, low wind-resistant body, this gives a top speed of 103 mph and a claimed fuel consumption of 39 mpg for anyone with the iron self-control to cruise it at only 62 mph.

I can't imagine many Sprint drivers getting that sort of economy because this pretty batchback happily sustains 90 mph and begs to be given its head. Unless you happen to use the West German autobahn network regularly, the ability to cruise at close to three-figure speeds means little to-day. But on secondary roads, especially where the gradients are steep and the hairpin bends frequent, its energy and sure-footedness are a winning combination.

Often these attributes go with cramped accommodation. The Sprint, though, has ample head-

room for front and rear passengers and a back seat wide enough for a third person without too much pinching. Unusually for a coupé, the rear side windows can be lowered. Even with them up, there was enough air throughput from the fascia vents to keep me comfortably cool as I drove in the hot Neapolitan sun.

The steering wheel is adjustable and the driving position splendid, with all the controls that matter on either side of the steering column. The Sprint has nearly 50 lbs of sound damping material stuck in and around the cabin and, even by Alfa standards, is very quiet indeed.

Price of this most desirable car is likely to be around £3,250. I think it might even appeal to former Porsche or Lotus owners who have fallen on hard times. They won't find it as quick but it has the spirit they have got used to. And it is a simple enough car for the corner garage to look after.

Golf

The British are coming

BY BEN WRIGHT

THE CONVINCING victory of Great Britain and Ireland over the professionals from the Continent of Europe last week-end at Boudouville golf club, Lille in Northern France was a most exciting climax to a season that had started so unpromisingly on that same Continent, picked up a little, and then slumped again.

After the home-bred caravan had limped their way through Portugal, Spain and France in the spring only Ulster's Eddie Pollard had disintegrated himself victoriously from the apparent almost total wreck of British professional golf. Last December we had failed to distinguish ourselves yet again in the World Cup in Bangkok, heat and humidity being the most frequently offered excuses.

The fact that a pale blonde Californian Johnny Miller had led the world to ensure the customary victory for the United States, backed solidly by Lou Graham, the reigning U.S. Open champion had been conveniently overlooked. Since then to the start of hostilities in Europe only little known Bill Longmuir and Peter Cowen had saved our faces around the world with victories in the Nigerian and Zambian Open championships respectively. Gloom and despondency was widespread.

But since the black African Vincent Tshabalala, a motor mechanic sponsored in part by Gary Player, won the French Open in early May to complete our humiliation much has happened to revive hopes for the future — if one looks hard enough. Sam Torrance's dual victories signalled the long-delayed coming of age of this most promising Scottish youngster. In addition to winning the Sumrie Foursball with his Irish compatriot Christy O'Connor Jun. Eamonn Darcy proved himself as a world class competitor — even if his style is open to suspicion — by taking the under 25s world championship in Ewan, France.

As had Torrance, John O'Leary had long been the victim of his own immaturity. But this most naturally gifted of the Irish contingent won a new event, the Greater Manchester Open and with the classy Tommy Horton taking another inaugural event, the Unisroyal overseas invaders were kept at bay for two whole months before the Open Championship, a very unusual occurrence. For in between times Neil Coles had struck a formidable blow for



Johnny Miller

English team match play victories in the Double Diamond International at Glenageary and in the mini-Ryder Cup match in Lille. When referring to individuals in the same context it is impossible to expect Brian Barnes to apply the formidable bulk of his talent in week by week tournament play. But when he chooses to apply himself—like Miller—as Barnes did to win the Sun Alliance match play championship earlier this month, he moves into the world class bracket as a striker of the golf ball.

So there is now an expanding nucleus of British and Irish golfers who, if they can continue to progress as they are doing can give us the strength in depth we have lacked so conspicuously in recent Ryder Cup matches. Tony Jacklin — who proved his powers of leadership in inspiring both the English and Great Britain and Irish teams to victory. Now that the Ryder Cup match format has been changed yet again to make it less arduous it is obvious that a playing captain could come back into fashion.

In recent years with the institution of morning and afternoon matches it had become virtually impossible for a playing captain to keep himself acquainted with the form of his team and still lead from the front. So non-playing captains took over. What a shrewd move it would be to make Jacklin our playing captain for next year's Ryder Cup match at Royal Lytham right now. That knowledge would only serve to inspire him and satisfy those members of his team who are already certain of their places and who have come to admire his qualities as a leader.

If we could put a team into the field against the Americans on British soil this week-end that had Jacklin and Peter Oosterhuis as its spearhead, with the back-up engine room of Coles, Darcy, Torrance, Horton, Poilard, Foster, O'Leary, Barnes, Bernard Gallacher and perhaps Peter Townsend, David Jagger or Howard Clark to make up the number, the odds would not be exactly astronomical against a shock victory for Great Britain and Ireland.

Or is it just that I have been home long enough from the American tour to have gone soft, and allowed myself indulgence in wishful thinking that is sadly unthinkable when one is for the future came about in travelling on that vast, success-shape of our hard-won orientated continent?

Air fares

YONE WHO thinks that rope's airlines will hurry to reduce fares now that the Civil Aviation Authority has said that they are too high is in for a disappointment. Lord Boyd-renter, chairman of the authority, is a shrewd enough operator to know that he was only adding another, if long, word of protest about a situation which even the airlines will privately confess is chaotic.

Europe's air fares compare very unfavourably with those in North America. Europe's airlines often protest that this is because they operate internationally, while the U.S. is a domestic and less complicated business. And yet the fare from London to Paris is £31 while the fare from New York to Montreal which is further, is international, and has the same language barrier) is £25.

From the outside viewpoint it is difficult to view the European airlines as anything but inefficient in some areas. A recent *Financial Times* study of the world's top non-Communist airlines showed that British Airways had a most staff, but came eighth in the ratings of passengers carried. Air France is so burdened by jets which it appears to have been forced to buy and sell for political reasons, that it is now getting a long-term government subsidy to compensate for the fact that they use less fuel than aircraft of other airlines.

The CAA has pointed out that some European routes the usual economy class fare, which is the one most frequently used by the business community, as much as five times the daily economic seat on a charter flight. Politics have clashed with economics to such an extent on many routes that the airlines have introduced a maze of fares in order to by-pass the rules they themselves have in-

duced and encourage people to fly who simply could not afford the rates published in the schedules. On many destinations whole sections of aircraft are yet more seats are sold in bulk to travel agents, other seats are sold cheaply to students, and you can get cheap tickets on many flights simply because you are under 25.

Within Europe there is an almost universal system of pooling, which means that no matter how much more popular one airline is than another, the revenue from the route is pooled between them. Obviously breaking the pool is one way in which competition might be encouraged, but such a break needs agreement and there is little sign that anyone would be keen to do it.

The American airlines are not allowed to pool. What an airline attracts, it keeps.

Europe's fare structure is bedevilled by the fact that all the countries have differing attitudes on aviation policy. The French have traditionally fought anything which might damage Air France. It is because Spain took a different attitude in the fifties and sixties that Majorca managed to take much of the tourist traffic which once went to the Riviera from Britain and Germany. The French have never shown much interest in any campaign to reduce fares.

Meanwhile air fares even in the U.S. may have to rise faster than inflation for the next few years, so the best that Europe could hope for is a standstill.

The airlines are simply not making enough money to fund the purchase of a new generation of jets. Unless they are allowed to raise fares, they will not be able to afford to buy new aircraft. If this happens the resultant unemployment could be politically embarrassing.

ARTHUR SANDLES

Television

THE GOVERNMENT action to reduce imports of black and white television sets from Taiwan by imposing a quota is unlikely to achieve a great deal for the U.K. electronics industry, which has suffered severely at the hands of foreign importers.

But the measures, announced by the Department of Trade this week, are equally unlikely to create unpleasant international repercussions which would have been more likely had the country in question been Japan.

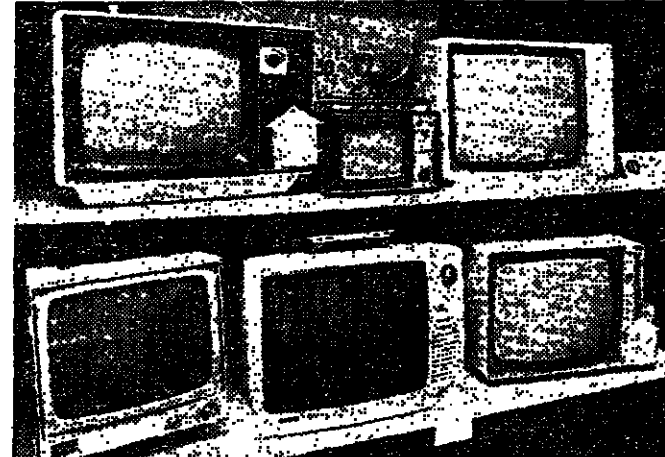
The quota of 70,000 sets over a 15 months period from October 1 is not ungenerous and is unlikely to provide more than a temporary respite for the U.K. industry, which has long since ceased to manufacture monochrome tubes.

The decision must for these reasons be regarded as a largely political move designed to show that the Government can and will act where necessary. It was stressed in Whitehall that no further action of this type is envisaged in the near future.

The announcement follows a flood of imports from Taiwan at prices which undercut other foreign importers. In the first half of this year deliveries of these sets rose by more than 600 per cent, compared to 1975, to 45,000 units.

While Japanese manufacturers have responded favourably to recent calls for restraint on exports to the U.K., no such undertaking came from Taiwan and the quota was imposed.

But an official of the Electrical and Plumbing Trades Union said: "This is too little too late. There are other sectors of the consumer electronics



industry and other industries where action is necessary."

Nevertheless, the action is regarded as significant in the debate on import controls which has been taking place between leaders of the TUC and CBI. Some union leaders now feel that the CBI is becoming more sympathetic to limited controls.

But at present, the CBI is taking the same line as the Government, which basically accepts the need for selective controls only where there is a very clear case of imports damaging industry.

It was confirmed in Whitehall yesterday that the Government intends to continue with its policy of encouraging voluntary restraint on imports where possible, particularly in view of some recent success with Japan.

This follows recent reports that Japanese companies will restrain monochrome exports in the second half of the year to less than the 118,000 sold in the U.K. in the first six months.

Talks on the longer term trade pattern are due to start soon, particularly in relation to imports from Japan and Singapore in 1977. Singapore has also agreed to restrain this year.

Most of the Taiwanese imports have come from a number of

large Japanese subsidiaries operating there, with landed prices in the U.K. as low as £30 compared to £32.50 from Singapore and £33.50 from Japan.

No retaliation is expected from Taiwan, which maintains a rough trade balance with the U.K. (when trade through Hong Kong is considered), buying mainly machinery and transport equipment. Any contravention of international trade regulations was avoided due to Taiwan not being a signatory to the General Agreement on Tariffs and Trade.

Nevertheless, it was felt that the imports qualified under Article 19 of GATT as threatening injury to an industry.

Under the terms of the import quotas, only 50,000 of the 70,000 allowable in 15 months must be imported during the period January to December 31 next year.

Although the unilateral imposition of controls such as these is unusual, imports of certain textiles have been restricted over the past 18 months under the GATT Multi-Fibre Agreement and a number of voluntary restraint understandings have been reached.

LORNE BARLING



Technology

EARLIER this week, so many people tried to get into one of the larger conference rooms at the London Hilton to a meeting about electronic news gathering (ENG) that the whole thing was repeated next day in hurriedly arranged accommodation at Grosvenor House. ENG, are the new vogue setters in television, promising to bring the same sort of revolution to that medium that tape-recorders and mini-transmitters brought to radio. The implications for news gathering whatever the medium are considerable.

Still very much in its development stage, ENG is extensively used in the U.S. and Japan, and even in cautious Britain, ITN and BBC are exploring its uses. In simple terms ENG involves low-weight portable television cameras which can tape news as it happens, with multi-channel sound if necessary, and beam the whole lot back to some control point via a micro-wave link. There's no need for extensive equipment, no need for large numbers of staff, and above all no need for the spaghetti junction of cables which often surround television news crews.

Suddenly television has the potential flexibility of the radio reporter or the notebook and pencil newspaper journalist.

Enthusiasts for the new technology conjure up pictures of a complete revolution in news and documentary work, and eventually a similar impact on

drama, which would be free to get out into the streets. Coupled to multi-channel domestic cable or micro-wave receivers it could provide instant access by the public to a choice of dozens of events as they actually appear.

Between all that and the pessimist view that ENG is simply a passing fad lies the reality. At the moment that reality is that ENG picture quality leaves much to be desired, unless it is carefully and expensively handled. Editing news tape is not so easy as news film ("you can't hold it up to the light and see what's there") although it might be a bit quicker to produce. There is also a problem with tape standards—the British, French and Americans all use different systems—while film is universal, and usually Kodak.

The fact that around 600 people packed themselves into conference rooms during this

week's International Broadcasting Convention to hear more about ENG is, however, an indication of the interest. Used properly it means that there need be no long delay between statement (say by Mr. Callaghan) and counter comment (perhaps by Mrs. Thatcher). Both can be gathered minutes before the programme goes on air.

At the moment the purchase of a full scale studio camera for television, complete with lens, leaves a television company little change from £30,000. ENG equipment is considerably cheaper, the most popular system, costing hundreds rather than thousands, was developed by Sony for the domestic home-movie market, and has been snapped up by television companies throughout the U.S. and in money-conscious India.

ARTHUR SANDLES

Atlantis

A world that died

AN ARCHAEOLOGICAL excavation now in its tenth year on the Aegean island of Santorini is proving as significant as the former great discoveries of the Greek world—Troy, Mycenae and Knossos.

The rich Bronze Age Minoan city which, like Pompei, was buried in volcanic debris not only preserves the artefacts of everyday life in the Fifteenth century BC. It provides strong support for the theory that the island corresponds to the "Ancient Metropolis" of Atlantis, as described by Plato.

In about 1500 BC Santorini erupted with three times the force of Krakatoa in 1883. The result is still awe-inspiring. The peak in the centre of the island has been replaced by a deep bay of 32 square miles, ringed by cliffs more than 1,000 feet high of red, black and white volcanic rock. The land above sea level that remains consists of five islands of disparate size.

At the time the effect of the eruption was devastating. Waves more than 650 feet high were produced that flooded many Mediterranean countries—they were 22 feet high when they reached Tel Aviv, 580 miles away. Eastern Crete, some 70 miles south, was covered in volcanic dust which smothered vegetation and crops.

The case for relating Minoan civilisation with Atlantis is compelling. The "swallowing up" of Atlantis by the sea seems a fair description of the natural cataclysm of Santorini. Plato emphasises in the *Timaeus* and *Critias* dialogues he is dealing not with myth but ancient records obtained by the Athenian Solon from the Egyptians.

The stumbling block of timing and size, which has led to the positioning of Atlantis—without any geological justification—in the Atlantic, can be explained simply. Solon confused the Egyptian sign for a hundred with a thousand. If this assumption is accepted the plain surrounding the "Royal City" of Atlantis conforms in size to the plain of Messara around Knossos in Crete, while the "Ancient Metropolis" is Santorini.

The excavation in the south of the island near Akrotiri, matching that at Knossos—that



which is open to the public, confirms the close connection with Crete. The city has paved streets and rich mansions at least three stories high with conduits to carry dirty water to drains under the streets. In one house a water-cleansed lavatory was found. Another house has more than 23 rooms. A public building has stone benches along the wall of an antechamber similar to the seats of the Throne Room at Knossos.

So far each house excavated has at least one room decorated with wall paintings. A few are intact—the only intact Minoan frescoes found—and exhibit a remarkable daring and originality. Some can be seen in the National Museum of Athens.

Possibly the most delightful of the Minoan Fresco which shows blue monkeys engaged in human occupations. One is drawing a sword to cut off a sandviper's head, while another appears to be holding a harp. Pottery finds have been enormous. Some rooms contained more than 300 vases each. The majority were made locally though others were imported from Crete, Mycenae and elsewhere. One pottery City of Atlantis conforms in size to the plain of Messara around Knossos in Crete, while the "Ancient Metropolis" is Santorini.

There is some evidence—matching that at Knossos—that

the catastrophe happened in two stages, possibly separated by with Crete. The city has paved floors were thrown down in at least three stories high with conduits to carry dirty water to drains under the streets. In one house a water-cleansed lavatory was found. Another house has more than 23 rooms. A public building has stone benches along the wall of an antechamber similar to the seats of the Throne Room at Knossos.

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by Lucia van der Posa



If you want to have a go at making the coat and have a chance to look at it, one is on show at Craftsmith, 216-218 The Marlows, Hemel Hempstead and another at The Guild Hall Development branch in Exeter.



must not be skimmed. It should be fed in in pieces the size of a pea if you want to get a smooth and professional lump-free finish. *The natural kind of kapok is best*, but there is a good synthetic which is washable. Crumbed foam is not suitable. Shredded nylons or chopped up remnants of terylene curtaining are cheap. Courtelle wadding, sold by the metre and easily torn into pea-sized pieces, is lightweight and washable—suitable for young children. If you want toys for Christmas, start sewing! A.K.

hexagons. I couldn't believe it when one lot didn't fit in and profuse apologies and a replacement of the material of piece of work

hexagons. I couldn't believe it when one lot didn't fit in and profuse apologies and a replacement of the manifest error.

Of course the paper can also be used for adapting paper patterns: for cutting out your own patterns or for working out de-



The basic stitch couldn't be simpler but counting out the threads does seem to me to be more painstaking work than many of us are prepared to do. The Danish Embroidery Centre has such a large and extraordinarily pretty selection of samplers in kit form, as well as sampler ideas, that I'm almost tempted to start one.

The sampler we've shown here comes in kit form of ready-prepared linen with a chart and very detailed instructions. The price is £2.50 and the kit included. What I particularly liked about this sampler was that it sells separately all the little motifs, letters, numbers, yarns and so on, so that a completely individual one can be put together. A booklet on making the sampler, with illustrations of different motifs and also giving instructions, costs £2.50 (plus 18p p+p) from the Danish Embroidery Centre in Suffolk.

If you need help of any sort or advice on framing or making your own sampler, or if you can always write to the Centre which provides info on its products and services. I'm not afraid of being stuck half-way through and not knowing how to continue.




IF YOU NEED a little persuasion and aren't very skilled or experienced there's nothing like a real live demonstration, not only of what to do but of what the end product looks like. This is one reason why the BBC series on crocheting this year has so successfully won the hearts of the masses and why I'm sure the long live series, *Knitting Fashion*, starting on BBC 2 at 18.05 on Monday, October 11, will be equally gratefully received.

Knitting is one of those skills that needs to be demonstrated—no amount of words can really explain how it is done or what a certain stitch looks like. So anybody wanting to start the winter off with a project might do well to plan to watch these programmes regularly.

During the course, a number of different garments will be featured including a long line jacket, a crocheted rug and a man's Aran slipover.

To give you some idea of the sort of thing you might learn to make, this series and jacket with toggle fastening is just one of many.

Tick this box if you would like our representative to call C: ☐ ONLY OBTAINABLE WHERE YOU SEE THIS SOON  **DIAGEM**

The Arts

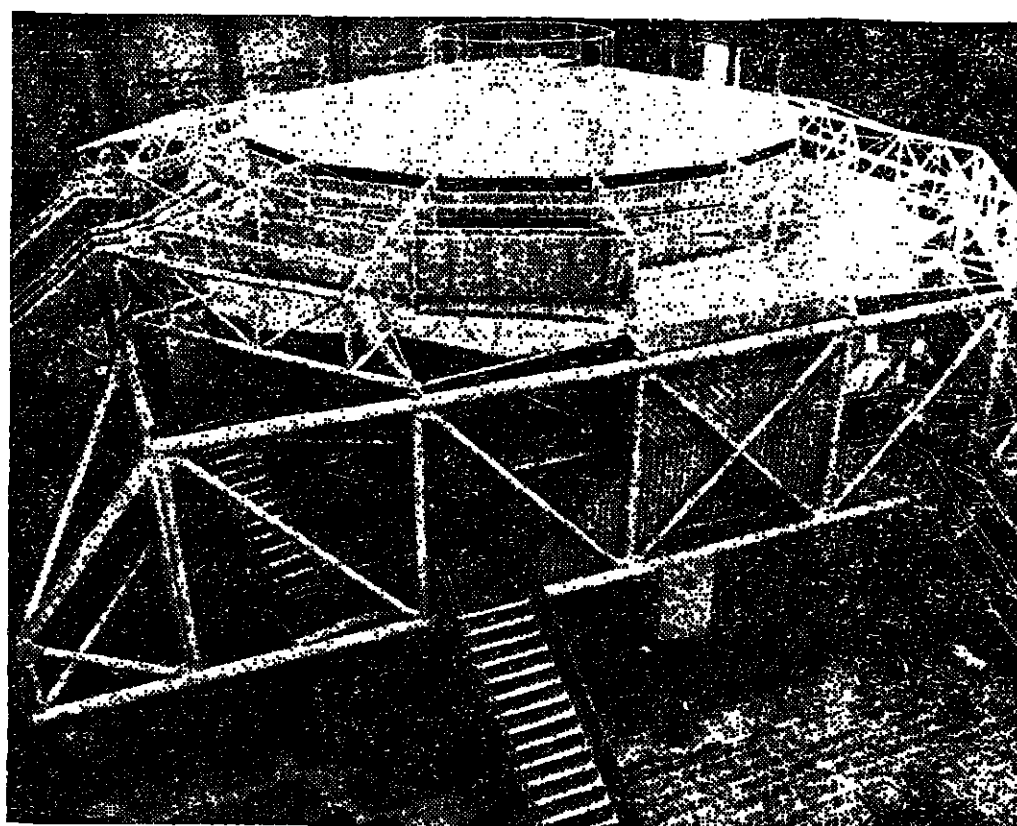
American art in Berlin

BY RONALD HOLLOWAY

The Berliner Festwochen's direction American (New York) art has taken since Franz Kline, the last of the Expressionists, died in 1962. In *Flag on Orange Field*, in particular, the trends in New York and West Berlin have been in discussion as long as a colony of 5,000 artists settled in these parts one reason for another and died tastes for jazz and blues, Tennessee bourbon, and the star of Broadway. Music and dance troupes have always with the customers with the American art scene in Berlin from 1945 to the present. In SoHo in Downtown Manhattan, has effectively filled the missing gaps in the post-war American experience.

Two exhibits are eminently the heavy outlay of cash bringing them here. The National Gallery's New York is a rope is dedicated to the artists in that city who burst on the international art scene in post-war years and captured by storm by the late 1950s; encompasses all the major names from Pollock to Koonst, lectured from Europe's art scene and private collections. The Academy of Fine Arts' contribution, SoHo—Downtown Manhattan, concentrates on the provincial, community aspects of New York's Bohemia amid the contemporary, can-can, action, or the past decade or two. The breath of New York in rope does indeed stagger the imagination, although the department from Action Paint to Conceptual Art and found is well documented in a past at such German art enters as Basile, Cologne, and Basel. The New York Fluxus movement is equally known through European enthusiasts settled in SoHo. South of Union Street between the Village and Midtown, one of whom René Block, a Berliner, who ended a gallery there in 1974. There is some talk about that Berlin exhibits amount to a nor Kassel Documenta. I find them, on the contrary, fruitful lecture on the essential role European art movements had on America in a interregnum period. The New York school owed a great deal to German refugee artists settled there, bringing with them the radical forms of European modernism. The dominant spirit was Expressionism and surrealism, and it was the heret vigor in these transients that still seems to permeate the work of the modern American masters.

The witty Claes Oldenburg and is enigmatic Jasper Johns, whose *Flag on Orange Field* (1957) and Oldenburg's *Meats* (1964), both rather self-explanatory, point the general



The Royal Exchange Theatre in Manchester

Manchester's new theatre

BY H. A. N. BROCKMAN

This amazingly ingenious structure spreads like an inverted cat's cradle of steel under the great central dome of Manchester's Royal Exchange.

The Royal Exchange was built between 1914 and 1921 to the grandiose designs of the architects Bradshaw, Gass and Hope and functioned until 1988 as the centre of the world's cotton market; the world's cotton prices on the last day of trading still remain high up on the wall. The interior of the Great Hall measures some 52 by 40 metres, with pannelled walls divided by attached half columns of a composite Corinthian order. The supports for the central dome comprise four substantial scagliola-faced piers of brickwork.

After remaining empty for over 20 years the building was finally listed and a use had to be found for it. It was the inspiration of Richard Negri that saw the possibility of a theatre within this great space, but the decision posed a peculiar problem as the floor of the hall had quite reasonably not been designed to take any loads greater than those appropriate to its original use.

Some 30 firms of architects

were consulted on this unusual problem, one most interesting condition being that they should not be experienced in theatre design. The firm of Levitt Bernstein Associates were finally selected to carry out the job.

In consultation with the engineers Ove Arup and Partners this remarkable structure was designed and erected. It comprises a seven-sided theatre with a central open stage on the Exchange floor, surrounded with seating for 450 people in two tiers; this was the greatest weight the existing floor could take. A further 250, making 700 in all, are in the two galleries above, suspended from the steel network on thin steel rods which do not interfere with sight lines and need no supporting columns. The auditorium is entirely enclosed by glass panels so that controlled atmospheric and acoustical interior can be maintained. The main girders on which this network is supported are made up from a consignment of steel tubes once destined for a North Sea gas line. A principal condition was that the interior of the hall should be left entirely alone with the theatre as a single jewel within the casket. The floor area around the theatre can therefore be used

The Seraglio at Cardiff

BY ELIZABETH FORBES

The sets for Michael Geliot's production of *The Seraglio* were among those lost in the fire that destroyed most of the Welsh National Opera's scenery, so Mr. Geliot and his designer Alexander McPherson have improvised a setting that suggests the Turkish background of Mozart's opera. A mosque or a minaret silhouetted on the backcloth, some oriental rugs and a few cushions, a ladder and a couple of steel poles, are quite sufficient to indicate the Pasha Selim's Palace, while the staging has been re-thought since the production was new last April. The east at Cardiff and later on tour is also new. Suzanne Murphy now sings Constanze, Michael Langdon plays as a cruel and tyrannical bully with a grim

flexible enough to deal with the sense of humour. His voice has not the black strength it once had, but he is still able to plumb the depths of Osman's music as few basses can. There is an accomplished and amusing Pedrillo in John Harris, while Julian Mayle makes a despot Pasha Selim, whose clemency is nevertheless perfectly credible. György Fischer conducts, choosing sturdy, natural sounding tempos and always taking the greatest care of his singers. Whether or not it is the New Theatre's rebuilt pit that has had such a beneficial effect on the Welsh Philharmonia's playing there is no doubt that the orchestral sound this season is wonderfully improved, and probably the greatest pleasure of this *Seraglio* is provided by Mr. Fischer and his devoted band.

The Hallé at home

BY MAX LOPPERT

The first concert of the 119th Hallé Concerts Society season was launched last Thursday in vivid style, with Gordon Crosse's *Some Marches on a Ground*. First heard at the 1870 Norwegian Festival (not since then in Britain, apparently, though it has been taken up in America), this is a brass-and-percussion laden set of orchestral variations looking forward to Crosse's opera *The Story of Vasco*. The Double variations, to be more accurate: two independent kinds of music are simultaneously pursued, the one brazenly and uproariously military, complete with antiphonal fanfares and flourishes, the other a quiet, pensive, passacaglia-like movement gathering its own impetus. Clashes and dramatic confrontations between the two are intentionally contrived, exhilarating in an Ivesian manner expressly followed by the composer always attention-holding, with an emboldened sense of orchestral potential that should endear the piece to our London orchestras (though in vain you will look for it or work by almost any other younger-generation British composer, among the gloomily unadventurous fare promised this season). The flavour is at once mocking and serious, a sweet-sour "meditation on war" more pointed than the opera itself managed to achieve. *Some Marches on a Ground*, indeed, keep its ROYAL COURT—Mother Day, memory alive, while the composer and the Coliseum, or for that matter any other opera company, decide what to do with that unwieldy repository of

so much fluent and attractive music.

It is always enjoyable to hear the Hallé in its Free Trade Hall home, scrupulously and sedately, in condition of that auditorium, James Loughran controlled a crisp, precise and colourful performance, one that displayed the orchestra's renewed strength in the full. For the Shostakovich opera, *The Story of Vasco*, after the Double variations, to be more accurate: two independent kinds of music are simultaneously pursued, the one brazenly and uproariously military, complete with antiphonal fanfares and flourishes, the other a quiet, pensive, passacaglia-like movement gathering its own impetus. Clashes and dramatic confrontations between the two are intentionally contrived, exhilarating in an Ivesian manner expressly followed by the composer always attention-holding, with an emboldened sense of orchestral potential that should endear the piece to our London orchestras (though in vain you will look for it or work by almost any other younger-generation British composer, among the gloomily unadventurous fare promised this season). The flavour is at once mocking and serious, a sweet-sour "meditation on war" more pointed than the opera itself managed to achieve. *Some Marches on a Ground*, indeed, keep its ROYAL COURT—Mother Day, memory alive, while the composer and the Coliseum, or for that matter any other opera company, decide what to do with that unwieldy repository of

Loughran pushed the music too forcefully forward, not allowing the vast first movement's natural transition towards climax, or a sufficiently persuasive communication of its atmosphere. In between Tortelier—that glorious combination of Don Quixote, a benevolent Dr. Coppelius and, while listening amazed to the sounds of his cello, unleashed Pierrot "fâché avec la lune"—and the lovely, fragile Schumann Cello Concerto. It seemed, at the start, as though the cellist's fabled intensity would prove too much for the van melodies' beauties, the slight, easily-rent orchestral fabric. With the slow movement came the right manner, concerned but also infinitely tender, aptly mirrored by the orchestra. A good start to the season.

Perhaps it was that Mr.

Theatres this week

MAY FAIR—Anna Russell. The old Ring bit is joined by a new bit about Verdi's *Nabucco*, plus a good dollop of autobiographical chat. Opened Monday.
LYTTLETON—Jumpers. Tom Stoppard's glittering comedy better than ever on the new stage, with Michael Hordern at his very best and Julie Covington as his popstar wife. Not to be missed. Opened Tuesday.
ROYAL COURT—Mother Day. A North-country working-class family farce revitalised by David Storey with total immorality that may upset some people. Opened Wednesday.
CAMBRIDGE—Anastasia. The old musical-comedy type romance about the missing Russian princess would have been better for some music. Opened Wednesday.
PRINCE OF WALES—Some Time, Next Year. Michael Crawford delighting his admirers in a sentimental comedy about a faithfully adulterous pair of Americans. Frances Cuka is the other. Opened Thursday.
THEATRE ROYAL, Stratford. E.15 Chairman Alf. Alf Garnett is put through his paces to terrific effect by Warren Mitchell in a one-man show. Opened Thursday.



Sotheby Records

Last Season over 70 new world auction record prices were established by the Sotheby Parke Bernet Group.

This bronze by James Earl Fraser, *The End of the Trail*, was sold in New York for £20,433, a record price for a work by the artist. It is signed and dated 1913.

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Collecting

And diamonded with panes of quaint device
Innumerable, of stains and splendid dyes

wrote Keats in the *Eve of St. Agnes*. Stained glass windows have inspired various writers to eloquence, from Chaucer's "a window richly painted," to Gray's "rich windows that exclude the light," and Proust's "the iridescence of a peacock's tail... in a flaming and fantastic shower... the little lozenge windows had put on the deep transparency, the unbreakable hardness of sapphires," his eulogy of the stained glass windows at Combray in *Swann's Way*.

The process of making a stained glass window has changed little from medieval times. Putting it simply, first the design is conceived and sketched, and then enlarged to a "cartoon," a full-size working drawing; then the glass is chosen and cut, the painting carried out and the glass is fired in a kiln. After that it is leaded, and finally the panels are fixed in position in the building. A description of the way a window was made in the 15th century was given in an exhaustive Latin work, *De Diversis Artibus*, by a monk named Theophilus, who was believed to have been a skilled metalworker in north-west Germany. His method of "composing windows" differs only slightly from to-day's method, which now incorporates technical innovations such as steel-wheel glass cutters, gas and electric soldering irons.

Until the 15th century, secular subjects, with the exception of heraldry, were taboo for the glazier, with only the peripheral religious legends surrounding the Virgin Mary and the lives of the Saints used in cathedral and church windows.

With the revival of interest in classical literature during the Renaissance, and the decline of the Catholic Church in northern Europe during the Reformation, and later as spartan castles were replaced by luxurious mansions for the rich, the glazier had a wider scope for his artistry. Greek and Roman myths, *Arthurian* romances, fables and fairy tales began to serve as the glass equivalent of fashionable oil paintings.

"To the glass hunters there

Window on beauty



Noah in the Ark receiving the dove with the olive branch. Detail from a 15th century window in the Besserer chapel by Hans Acker photographed in colour in Stained Glass published by Mitchell Beazley on Monday.

are windows worth seeing almost everywhere," declared Lewis F. Day in *Windows*, a book about stained and painted glass, published in 1909. His formula for how to see windows was explicit: "You have not seen glass when you have walked round the church with one eye upon it and the other on your watch... not until you have a clear idea of the characteristics of style can you sort out for yourself the various elements... you must give yourself up to it, or it will never give up to you the secret of its charm." Day pointed out that he had resisted the temptation of providing coloured illustrations as "the cost of doing that thoroughly well puts it out of the question—even if a rendering of stained glass which

red and blue Star of David window in Palma's cathedral which was restored to its medieval splendour by architect Antoni Gaudi. Tiny details often indiscernible to the naked eye are captured too. An enchanting close-up of the 15th century panel by Hans Acker in the tiny Besserer Chapel in Germany of Noah in the Ark, reveals in homely detail the children's faces gazing anxiously over the grey sea, the dove returning with the olive branch—and the plump raven with his feet firmly planted on a rabbit on a tiny patch of dry land.

The text is well-presented, too, the first section by stained glass artist Laurence Lee, who served his apprenticeship under Martin Travers before setting up his own studio in 1948, and whose work includes windows for numerous churches and cathedrals, notably Coventry; the second is by man of letters George Seddon on the history of the craft, and the third by ecclesiastical interior designer Francis Stephens, a member of the Council of the British Society of Master Glass-Painters. (Incidentally, as the Society seeks to encourage the use of decorative glass in its traditional forms as well as in its more modern applications, that is, thick slab glass in concrete or epoxy resin, applique, copper foil and other techniques; anyone interested in the craft can join, whether a practising artist or not. Details Caroline Swash, 88, Woodwarde Road, Dulwich, S.E.22.)

For those who want to collect stained glass it is still possible to track down the odd discarded panel from a demolished Victorian house; a set of eight English stained glass panels of Biblical scenes are being sold at Sotheby's Belgraveia on Wednesday October 6, with an estimate of £70 to £120 on them. One of the Burne-Jones pencil and chalk drawings, *The Sacrifice of Isaac* (the actual window in the Chapel of Jesus College, Oxford) went for £900 recently. Of similar vintage was Henry Holiday, who designed the colourful windows in the Chapel of Worcester College, Oxford. In Harrod's antique department recently I saw his impressive "Faith Love and Hope" panels for sale at £4,900. For those who just want to discover windows there is an interesting 1889 Burne-Jones one at Thomas Goode's arts and craft building in South Audley Street, W.1, which needs researching.

JUNE FIELD

ART GALLERIES

EVRE GALLERY (Temporary) paint, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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HOME NEWS

Coal Board expects power to double its borrowing

BY RAY DAFTER, ENERGY CORRESPONDENT

THE National Coal Board plans to increase borrowing substantially to help pay for expansion. The Government is expected to double the Board's borrowing limit, currently £1.1bn, though it can be raised to £1.4bn, with Parliamentary approval.

A Coal Bill probably to be introduced in the next few months will clear the way for the new borrowing, some of which may be made overseas. A meeting involving the Government, Board and trade unions will be held next month to review expansion plans.

So far about 75 projects, eventually costing about £700m, have been sanctioned under the 10-year Plan for Coal. Inflation and the addition of new schemes have already increased the expected cost of the plan from the £1.4bn envisaged two years ago to nearer £3bn.

The object is to increase output from the present 125m. tons a year to 150m.

The spending must make coal cheaper and energy users, are bracing themselves for a substantial increase in oil prices. It is widely expected that the Organisation of Petroleum Exporting Countries will raise the price of crude by between 10 and 15 per cent this winter.

The Gas Corporation has already hinted that following the recent price rise it hopes to peg tariffs for 12 months. During the Energy Conference this summer it was contended many times that British Gas was holding down prices to an unrealistic level and that gas reserves were being depleted too quickly.

The Energy Commission to be formed this year will be asked to review the options and priorities in developing Britain's resources. A Government Green Paper on Energy will also be published within the next few months setting out the possibilities.

Inevitably the Government's North Sea policies will have a place in the Green Paper, although it is not yet clear whether there will be specific reference to three of the issues now being studied, depletion controls, the future of Britain's refinery industry and the development of major petrochemical projects based on North Sea feedstock, particularly gas.

Some of the issues are exercising the minds of those involved in negotiations for State participation in offshore activities. Shell and Esso, which has been particularly concerned about retaining feedstock flexibility, are expected to be the next groups to sign draft participation agreements. Occidental and Mobil should be among others coming to an agreement.

The Government is also hopeful of concluding a detailed agreement with British Petroleum before the end of the year when the next batch of offshore licences are due to be awarded.

The next few months should also see considerable debate over nuclear energy requirements. It seems unlikely that the Government will make any specific recommendations on proposals for a fast breeder or steam generating, heavy-water reactor before early next year.

Treasury names new economic adviser

By Anthony Harris

THE TREASURY has announced the appointment of Professor Geoffrey Maynard, as Deputy Chief Economic Adviser. He is at present Professor of Economics at the University of Reading.

Professor Maynard will succeed Mr. Michael Posner, who will return to his academic post at Cambridge at the end of this month.

Professor Maynard thus clearly becomes a strong candidate as ultimate head of the Government economic service, a post over which there has been much speculation. Sir Bryan Hopkin, who returned for what was initially announced as a temporary re-appointment for a year when Sir Kenneth Berrill took over the Central Policy Review Staff, recently agreed to stay on for at least a further year.

Professor Maynard, 54, is the co-author of a recent study of inflation and is known as an expert on monetary and financial matters—an expertise which has not in the past been strongly represented in the Treasury economic department.

He is not, however, a monetarist in the present sense of the word. From 1972-74 he was a temporary official in the Treasury as an under-secretary (economics) specialising in monetary and financial questions.

Since then he has been senior economic consultant to the Chase Manhattan Bank. Earlier, in part-time posts, he was an economic consultant at the Treasury from 1962-65, to the Ministry of Overseas Development from 1967-72, and at various times to the World Bank. He was appointed to his present chair in 1968.

The other Treasury economic vacancy has been filled internally. Mr. Frank Cassell, is at present Under-Secretary concerned with international financial questions and domestic monetary policy, will be charged with the medium-term assessment, the economic framework for expenditure planning—the post recently vacated by Mr. Hans Liesner. Mr. Cassell will be succeeded by Mr. Peter Middleton.

Personna Glasgow razor blade factory to close

BY RAY PERMAN, SCOTTISH CORRESPONDENT

PERSONNA International U.K., the razor and industrial blade manufacturer, announced yesterday the end of its activities and the closure of its factory at Hillington, Glasgow, and sales office in Maidenhead at the end of the year.

The company has been losing to Wilkinson and Gillette in the fierce competition for the razor blade market. It has never had more than 4 per cent of home sales and its exports have been hit by price-cutting and the falling value of sterling.

In the last 10 years losses totalled £1.25m, and this year's loss was expected to be more than £400,000.

Redundancy notices have been given to the 250 workers at the Hillington plant, who have been offered compensation. But a meeting of shop stewards decided not to accept the closure.

Mr. Calum Mackay, district organiser for the Amalgamated Union of Engineering Workers, said they would ask the company for more information and to withdraw the closure notice until after talks in a works conference.

"Closing a factory in an area like this would be a terrible blow," he said. "We will be involving the local MPs and the Scottish TUC to put pressure on the company to withdraw the notice."

enable the firm to remain in business.

"For some time, the management has been deeply concerned about the company and, in the interests of the welfare of its employees, has made strenuous efforts to find new outlets for its products, but with only limited success."

The facts are that there is extremely savage price competition in selling double edge blades in the U.K. market, and that material costs have increased due to the falling value of the pound; and that the introduction of new shaving systems has hit our double edge blade sales very hard."

Ray and Co., a mail order subsidiary of the GUS group, is to close its office in North Road, Lancaster, over the next two years. It was announced yesterday and there was no sign of any improvement which would

Reluctance

The Hillington factory was opened in 1958 and was then owned by Ever-Ready Razor Products. It became Personna in 1960 when Ever-Ready and the American Safety Razor Company were both bought by the U.S. corporation, Philip Morris.

The director in charge at Hillington, Mr. T. Gorham, said that the decision had been taken with great reluctance because trading conditions had deteriorated severely and there was no sign of any improvement which would

More effort against ship Bill

BY KEVIN DONE, INDUSTRIAL STAFF

ACTION being fought by the naval shipbuilders Vosper Thornycroft and Yarrow against the Bill to nationalise the aircraft and shipbuilding industries was intensified yesterday.

In letters to selected Peers on both sides of the Lords the chairmen of the companies claim that the basis of compensation proposed by the Government is illogical, capricious, unfair and contrary to Ministerial promises and claims.

The Bill, which has had a troubled course through the Commons, comes up on Wednesday for a second reading in the Lords. Conservative Peers are expected to launch a determined attack on several important sections.

In their letter, Sir David Brown and Sir Eric Yarrow claim that nationalisation would damage the prosperity of the subsidiary companies engaged in naval shipbuilding both for the Royal Navy and for the export market.

It failed to recognise that within the shipbuilding sphere, merchant shipbuilding, naval shipbuilding, shiprepairing and marine engine-building were totally separate industries.

"Bundling them together in one

Bill has prevented adequate Parliamentary discussion of their separate requirements."

The letter claims that there is a powerful case for excluding naval shipbuilding from the Bill because the Government's stated reasons for nationalisation—under-investment in capital equipment, failure to win adequate share of world markets, need to safeguard employment and lack of profitability—do not apply.

On compensation Sir David and Sir Eric say that similar terms were adopted for nationalisation of British interests abroad by a foreign power they would be termed confiscatory.

Captive

They give a warning that some top management will leave if the Bill goes through and those that remain cannot be expected to carry on with the same enthusiasm.

Despite opposition in the Lords a vesting order for British Shipbuilders and its marine engineering subsidiaries was passed early last night by Sir Anthony Griffin, chairman, designate, gave a review of intended organisation.

A wider range of management skills was needed and it was imperative to redress the balance between architects and marine engineers with design and drawing staff, which was about half the average among the U.K.'s European competitors.

Action 'essential to protect shipbuilders and repairers'

FINANCIAL TIMES REPORTER

A WARNING that prompt action was essential to shelter shipbuilders from blatantly protectionist measures by overseas countries came yesterday from the president of the Shipbuilders and Repairers' National Association, Mr. A. Ross Belch.

He said that while there were encouraging signs that the EEC and the Government were determined to preserve their shipbuilding industries, the time for words was long past and the time upon us for prompt effective and positive action.

Mr. Belch, managing director of the Scott Lithgow group, added that Western European governments were becoming aware of the way in which shipbuilding, and ultimately shipping, was being threatened by this menace from without.

He estimated that the Japanese and other overseas yards outside Western Europe, including those of Korea and Brazil, between them would mop up about 10.5m. tons a year of the likely future annual world

demand of 13m. tons over the next four to five years.

This would leave Western Europe, including the U.K., with only 2.5m. tons a year, compared with the 1975 output of 13m. tons. As in recent years, shipping, was being threatened by this menace from without.

He estimated that the Japanese and other overseas yards outside Western Europe, including those of Korea and Brazil, between them would mop up about 10.5m. tons a year of the likely future annual world

Britain buys fewer shoes

BY JAMES McDONALD

A STATISTICAL round-up of the still depressed footwear industry, published yesterday, shows that supplies to the British market in 1975, from both U.K. and overseas suppliers, totalled 225m. pairs, 10m. fewer than in 1974, and 10 per cent below the levels of the early 1970s.

The recession in the industry started in 1974. The decline, says the British Footwear Manufacturers' Federation, stems not only from a fall in purchases by consumers, but also from the impact on manufacturers of de-stocking by distributors. Rapid deflation, and a general lack of confidence discouraged distributors from ordering on more than a hand-to-mouth basis.

Orders received by U.K. manufacturers last year were 25 per cent below those of 1973. Deliveries, at 104m. pairs, were at their lowest since the early 1950s. Throughout the year, imports,

short-time working was widespread (more than 40,000 workers are on short-time) and more than 6,000 jobs were lost in the industry.

The recession being global, overseas markets provided no relief, with exports down 7 per cent in numbers of pairs, compared with 1974. By contrast, although imports declined marginally in 1975, the steep decline in the domestic market meant a big rise in the importers' share to nearly 35 per cent of the home market in pairs. And by value, imports were well up.

The industry last week made a strong plea to the Government to curb cheap imports. Hong Kong last year remained the principal source of footwear imports, accounting for 25 per cent of pairs but only 9 per cent, by value, of total footwear imports. In total, EEC countries accounted for 48.5 per cent of value of imports.

Thalidomide law suit settlement reached

Financial Times Reporter

SETTLEMENT HAS been reached in a £20m. thalidomide law suit between Distillers Company (Biochemicals) and a leading group of Lloyd's underwriters, which was due to start in the High Court on October 4.

The case would have lasted three months, but it is now being withdrawn from the list on terms that are described as representing "an amicable settlement" between both parties.

The underwriters have agreed to pay £20m. in settlement of the claim, originally fixed at £30m., it was revealed last night.

This will be a very satisfactory outcome for the insurance market which had all along contested the case on various grounds, including the assumption that its maximum liability under the terms of the policies should not be more than £1m.

The settlement figure was disclosed last night by the plaintiffs, the Distillers group, which said: "The action by Distillers' Company (Biochemicals) has been settled on agreed terms."

"In return for a release of all such claims under the relevant policies, the underwriters have agreed to pay £20m. together with the company's legal costs in the action."

The underwriters had contested the case on various grounds. One was that their liability was limited to £250,000 for any one incident in the four years 1958 to 1962 covered by the policies when the drug was first marketed, and that the company represented a maximum pay-out from the insurers of £1m.

Tourists 'to spend more this year'

By James McDonald

RECORD FOREIGN currency earnings this year from the U.K. tourist industry, which last year reached a peak of over £1.1bn, were forecast yesterday by Mr. Edmund Dell, Secretary of State for Trade. He based his forecast on a 13 per cent growth in foreign visitors in the first five months of this year.

But he gave a warning that there would be no increase in Government spending on tourism, now approaching £20m. a year. He added: "I can give no assurances that tourism will be immune from the kind of cuts which have affected other Government programmes."

Mr. Dell, addressing the annual meeting of the British Tourist Board, near Preston, said that the Government's tourism guidelines, designed to open up new and less traditional tourist areas would be continued into the 1980s. He also spoke of changes in the types of holidays which people wanted, including the desire for self-catering holidays.

Misunderstanding

The guidelines had met with a surprising amount of misunderstanding. "It is sometimes alleged that, because circumstances have changed since the guidelines were announced, especially in the economic sphere, they are now out of date and should be changed. I cannot agree; the Government's policies were devised to cover good times and bad for at least a five to seven years term. Some small shifts of emphasis in the guidelines might be needed from time to time as the 1980s approached."

Ulster 'has 30% living in poor housing'

By Kevin Done

MORE THAN 30 per cent of the population of Northern Ireland live in deficient or substandard housing, according to a household survey carried out by the Northern Ireland Housing Executive.

The survey highlights the much higher degree of housing stress in Northern Ireland compared with Great Britain, and calls several areas of present housing policy in the Province into question.

It emphasises the need to push ahead with an accelerated programme of clearance and improvement in rural and urban areas, and suggests it is time to review the overall structure of housing finance and the present mix of house-types in the Housing Executive's building programme.

The survey shows that there is a higher proportion of large families and large households in Northern Ireland than in Great Britain—30 per cent, against 12 per cent—which creates a far greater degree of overcrowded living conditions.

Only 13 per cent of all households have net weekly incomes of £40 or more, and 35 per cent of heads of households in the Province have net weekly incomes of £25 or less.

Northern Ireland Household Survey 1975. Northern Ireland Housing Executive, Corporate Planning Department, Belfast, £1.50.

Scottish campaign for representative Assembly

BY RAY PERMAN, SCOTTISH CORRESPONDENT

AN ALL-PARTY campaign to ensure that the proposed Scottish Assembly is elected by a system of proportional representation was launched in Glasgow yesterday.

Calling itself the Scottish Campaign for a Representative Assembly, the new organisation hopes to win enough support to be able to put down an amendment to the Government's Devolution Bill, setting up legislative assemblies for Scotland and Wales, which will be introduced into Parliament next session.

Although the Government can rely on support from the Liberals and Nationalists, it must limit defections among its own backbenchers if the Bill is to succeed.

The Conservative Party is committed to voting against the Bill on second reading, but there are likely to be some MPs who feel they must vote with the Government to secure a majority.

Mr. George Younger, Tory MP for Ayr, and one of the sponsors of the new campaign, said yesterday he would be among them.

He would vote for the Bill on second reading, but it was highly doubtful that he would support the Government on final reading.

The campaign faces several if the demand for some form of proportional representation was reaching agreement among its members on the system of proportionality.

The committee includes a Labour MP, Mr. Robert McIntyre, wants.

Silkin hits at fishing zones plan

By Richard Mooney

EEC COMMISSION proposal for 13-mile exclusive fishing zones within the Community are "wholly unacceptable" to the U.K., Mr. John Silkin, Minister of Agriculture, Fisheries and Food, said yesterday.


Mr. Silkin, who arranged a short notice to join a meeting of fishing industry leaders in London, told them the EEC proposals would be studied "as a matter of great urgency."

Echoing the initial Foreign Office reaction, he said the proposals on coastal belts "fall far short of our needs."

But the EEC plans were "no the end of the story, simply the beginning," Mr. Silkin said in Manchester.

The Commission makes proposals. They have to be discussed in the Council of Ministers, and no doubt these matters will come back to the Commission again for second thoughts.

"I voted against them because I did not feel that they gave a fair deal to those regions where there are local communities depending for their livelihood on the resources of fish."



THE BANK OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)

Directors:
 Dr. Jan S. Marais (Chairman and Chief Executive Officer), Prof. Dr. C. G. W. Schumann (Honorary President), Dr. W. B. Coetzee, P. J. C. van Zijl, D. G. Melan, C. J. F. Human, L. J. Moolman, Adm. H. H. Biermann (S.S.A., S.D., O.B.E.) and A. P. J. Burger (Managing Director)

INTERIM STATEMENT AND DIVIDEND

The results of the Bank for the period under review must be seen in the light of the then prevailing economic and financial conditions and specific Government action to remedy the unfavourable situation:

- As from the beginning of this year, strict credit controls have been applied which do not allow for the profitable expansion of the volume of business.
- Existing liquid asset ratios imposed by the authorities are at an unprecedented high level affecting both earnings and capital margins.
- The rate of Taxation was increased.
- The interest rate pattern also remained at an unprecedented high level affecting, of course, the cost of money while, as indicated, profitable expansion of business was made impossible.

In October 1974 the authorities allowed an increase in finance charges and provision was made to apply increases in future. However, although the Bank could have availed itself of this provision, for instance on the occasion of the recent increase in the Prime Lending Rate, it was, after careful consideration, decided that in view of the hardships it would mean for its many customers, not to avail itself of this opportunity and not to apply increased rates on existing business. A considerable portion of the Bank's business is still in the Hire Purchase and Leasing fields and it is interesting to note that even a very moderate and justifiable increase of these rates would have meant considerable extra profits.

Taking all these into account, the results for the first six months of the current financial year of the Bank and only its fully owned subsidiaries must be considered satisfactorily and compare as follows with the corresponding period of the financial year:

| | Half year to: | |
|--|---------------|------------|
| | 30/6/75 | 30/6/76 |
| Net profit after taxation and after transfer to inner reserves | R3 161 732 | R3 289 577 |
| This represents an increase of | 10.7% | 4.04% |
| *Earnings per share (cents) | 9.4 | 6.99 |
| Dividend per share (cents) | 3.5 | 3.5 |

*The figures for earnings have been calculated, for the 6 months to 30.6.75 on an issued capital of 33 604 125 shares and for the 6 months to 30.6.76 on an increased issued capital of 47 045 775 shares.

Although the directors are optimistic, it is not possible in the present economic climate to make accurate predictions for the second half of the current financial year.

Obviously and as known traditionally, any meaningful downward trend in interest rates generally and naturally any relaxation of control measures should benefit the Bank considerably, especially also with reference to its substantial share in the Hire Purchase and Leasing fields. Furthermore, the banks programme of rationalisation and cost saving is of course being continued and without which the satisfactory results achieved would not have been possible.

Declaration of dividend no. 31

NOTICE IS HEREBY GIVEN THAT an interim dividend of 7% (3.5 cents per share) amounting to R1 646 602 has been declared in respect of the financial year ending December 31, 1976, payable to shareholders registered in the books of the Bank at the close of business on October 8, 1976.

The Transfer Books and Register of Members will be closed from October 9, 1976 to October 15, 1976 both days inclusive.

The Dividend is declared payable in the currency of the Republic of South Africa.

Dividend cheques will be posted on or about October 22, 1976 to shareholders at their registered addresses or in accordance with their written instructions.

In terms of the provisions of the Tax

Laws of the Republic of South Africa and South West Africa, Non-resident shareholders' tax must be deducted from shareholders resident in:

*South Africa - 0.66%
 South West Africa - 14.20%
 Foreign Countries - 14.37%

*As a result of representations by shareholders and after due consideration, it has been decided that the Bank will bear this liability in respect of the South African shareholders this year and no tax deduction in this regard will, therefore, be made.

On Behalf of the Board

Dr. Jan S. Marais
 Director

A. P. J. Burger
 Director

Registered Office:

31st Floor, Trust Bank Centre, Haerengracht, CAPE TOWN

September 13, 1976.



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British Limbless Ex-Service Men's Association
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مكتبة الناصر

OVERSEAS NEWS

Police clamp down in Johannesburg

BY GRAHAM HATTON

JOHANNESBURG, Sept. 24.

A determined bid to prevent a repetition of yesterday's demonstrations in the city centre, Johannesburg police today mounted a massive search and arrest campaign aimed at ridding the city of demonstrators. They threw a tight security net across Johannesburg and arrested many people coming to the city from Soweto, where a calm to-day followed yesterday's violence at several railway stations, in which at least four people were shot.

To-day, contingents of heavily armed riot police patrolled the city, with police positioned at all major junctions and Johannesburg station. Blacks going into the city in taxis and buses were stopped as they entered and searched.

A few of the Africans arrested during yesterday's demonstration in central Johannesburg were released after questioning by Brigadier J. F. Roos, regional CID officer for the Witwatersrand said to-day. He said people had been "sorted out" and a few of the 400 arrested yesterday had been released. Five more journalists were detained by the security police to-day—bringing the number of journalists now held to 14.

Sarkis holds talks with Palestinians

BY IHSAN HIJAZI

BEIRUT, Sept. 24.

NLY twenty-four hours after ending the fasting month of Ramadan, because of the holiday and political considerations, the tripartite meeting which was scheduled for to-day did not take place.

The meeting was to include Mr. Sarkis, Mr. Arafat and Vice-President Najib Jamil, the Syrian Deputy Defence Minister and commander of the Air Force. The three had met last Sunday in the town of Shoura in east Lebanon but the conference was described as a failure.

Two army officers representing Mr. Sarkis met last night with Abu Iyad, the number two man in the commando movement, to discuss a truce which will enable the reopening of a highway linking Beirut with the Presidential palace at Baabda, four miles east of here to which Mr. Sarkis has now moved. This road is currently a confrontation line between the rival combatants.

French base rates rise

By Robert Mauthner

PARIS, Sept. 24.

IN THE wake of yesterday's rise in Bank Rate from 9.5 to 10.5 per cent, the French commercial banks to-day raised their base borrowing rate for major customers by 0.4 per cent, to 1.6 per cent.

The move, which was generally expected, is part of the disinflation policy adopted by the Government on Wednesday and is expected to be followed shortly by the fixing of credit ceilings for the next 12 months.

If the rise in base rates is relatively small, it is clearly because the monetary authorities have advised the banks not to increase the cost of loans by too much at a time when the country's economic expansion is leveling out and investment is languishing.

Evidence that the sharp upsurge in activity at the beginning of this year has already peaked is lent by the latest survey of business

Irish Bill to go before courts

By Our Own Correspondent

DUBLIN, Sept. 24.

IN WHAT could turn out to be a significant constitutional test case, the Irish President, Mr. Cearbhall Ó Dálaigh, has referred the Government's Emergency Powers Bill to the Supreme Court for a ruling on its constitutionality.

This is the Bill which would give the police power to detain suspects for seven days without charge. But the President has signed the Government's other counter-terrorist measure, the Criminal Law Bill, which provides for much stiffer penalties for a range of offences including IRA membership and this now becomes law.

So, although the Government strongly favours the need for the police to get these new powers, Mr. Ó Dálaigh's decision is more important because of its constitutional and political implications than for any damage it might do to the Government's anti-terrorist drive.

However, it is thought that one section of this Bill, giving powers of search and arrest to the Garda Síochána, will have to wait until the Supreme Court ruling before it becomes effective because it would normally be repugnant to the constitution.

The President's decision suggests there is a difference between his interpretation of the constitution and that of the Government's lawyers.

The Government view has been that the Supreme Court has no function in this matter. This is because the Emergency Powers Bill, in its name, implies, is emergency legislation.

The constitution says that Parliament can declare a state of emergency in certain circumstances and that Bills passed under the emergency do not have to conform with the normal requirements of the constitution. Mr. Ó Dálaigh has not given a reason for his decision but the most popular explanation is that he may have doubts about the validity of the declaration of the State of Emergency itself. This has to be declared because there is a state of war or armed conflict or an armed rebellion inside the state.

Armed conflict

The Government chose the armed conflict criterion—meaning the situation in Northern Ireland. So the first issue for the Court to decide is whether it has jurisdiction in the matter at all.

If it rules that it has, it might then have to decide whether the State of Emergency was justified. The Court resumes after its summer recess on October 4 so either way the passage of the Bill will be further delayed. However, the Court must hand down its ruling within 60 days from now.

All this is embarrassing and irritating for the Government but constitutional propriety prevents both it and the opposition from making an issue out of it.

In the event of the Supreme Court finding against the Government, it would either have to amend its legislation or take the politically risky step of calling a referendum to change its constitution.

Seni stays as Thai PM

By Richard Nations

BANGKOK, Sept. 24.

THAI politics won a reprieve from chaos to-day as Prime Minister Seni Pramoj reversed his decision yesterday to resign from office and announced he would form a new government composed of the same four coalition parties.

Prime Minister Seni, who resigned apparently in a fit of pique over criticism from the left over his own party over his indecisive handling of the Thanaom affair, reportedly changed his mind after a wave of party deputies petitioned him at his home last night.

Mr Smith's Rhodesia

Eleven years on a long, hard road

Mr. Ian Smith bowed yesterday to U.S. and British proposals for a two-year transfer to black majority rule. When the Unilateral Declaration of Independence was made in 1965, Mr. Harold Wilson, the then British Prime Minister, said that sanctions would bring the regime down in weeks not months.

The events of the 11 years needed to attain a settlement are chronicled below:

- 1961: A constitutional Review Conference to determine Southern Rhodesia's future is held in London. Under the new constitution there are two electoral rolls to ensure the election of Africans to the legislative assembly.
- 1963: Early in the year, the Nationalist movement splits. Zimbabwe African Peoples Union (ZAPU) disavows the Zimbo, forming the Zimbabwe African National Union (ZANU).
- 1963: The Rhodesia-Nyasaland Federation breaks into three parts. Southern Rhodesia, Zambia and Northern Rhodesia. The 6m. blacks want early majority rule.
- 1964: Britain warns it will impose sanctions if Rhodesia's whites try to seize power.
- 1964: Mr. Winston Field is replaced as Prime Minister by Mr. Ian Smith whose Rhodesian Front (his party) members felt would take a firmer line on the demand for independence from Britain.
- 1965: November 11: The Government of Mr. Ian Smith of Rhodesia makes a Unilateral Declaration of Independence. Britain immediately invokes selective sanctions. A New Constitution is published. Governor Sir Humphrey Gibbs announces the suspension of Mr. Ian Smith and his Government. The announcement is not published due to censorship. The Rhodesian High Commissioner in London, Brigadier Skeen, is ordered out of Britain.
- November 12: Mr. Harold Wilson, the British Prime Minister, declares UDI illegal and an act of rebellion. A Resolution is passed in plenary session of the United Nations condemning UDI and calling on Britain to take the necessary steps to end the rebellion. Mr. Ian Smith's Government refuses to accept the Resolution. Governor Gibbs no longer holds any executive powers in Rhodesia.
- November 18: The United Nations in a Security Council resolution declares UDI illegal and calls on Britain to end the rebellion.
- December 12: Britain imposes total sanctions against Rhodesia. By this time 54 per cent. of Rhodesia's exports are officially subject to sanctions.
- December: British Prime Minister, Mr. Harold Wilson, meets Mr. Ian Smith on HMS Tiger off Gibraltar. These discussions are based on six principles: (1) Unimpeded progress towards majority rule; (2) guarantees against retrogressive amendments to the constitution; (3) immediate improvements in the political status of Africans; (4) Progress towards ending racial discrimination; (5) The British Government would have to be satisfied that any proposed basis for independence was acceptable to the people of Rhodesia as a whole; (6) no oppression of minorities.
- The talks failed and Britain states its NIBMAR principle: No independence before majority rule.
- October: Mr. Wilson and Mr. Smith meet again this time aboard HMS Fearless off Gibraltar. These talks represented abandonment of the six principles with concessions made over the procedures for the return to legality. The talks fail.
- March: Whites approve a new constitution to replace that of 1965. The 1965 constitution is rejected by the Rhodesian Front party because it provides for eventual majority rule.
- March: Rhodesia declares itself a republic.
- November: Sir Alec Douglas Home, the Conservative Government Foreign Secretary reaches agreement with Mr. Ian Smith saying that Rhodesia's constitution should be the one adopted in 1969 with certain addition features.
- These additions include a Commission of enquiry to look into the question of discriminatory legislation, the prospect of an eventual political party followed by a black parliamentary majority. Detailed calculations worked out that under the Douglas Home proposals majority rule would not be attained until the year 2035 at the earliest.
- British Commission headed by Justice Lord Pearce reports that the 1971 settlement terms are not acceptable to the vast majority of blacks in Rhodesia. In December, Operation Hurricane, the opening of the guerrilla war in the northeast gets under way.
- 1973: The British Commission headed by Justice Lord Pearce reports that the 1971 settlement terms are not acceptable to the vast majority of blacks in Rhodesia. In December, Operation Hurricane, the opening of the guerrilla war in the northeast gets under way.



Striking out alone: Mr. Smith, just before UDI, giving a Press conference at Rhodesia House.

tions for majority rule in two years; 3) Agreement that there will be no independence before majority rule; 4) The negotiations must not be long-drawn-out and there would need to be assurances that the transition to majority rule and to an independent Rhodesia would not be thwarted and would be orderly. After a visit by Lord Greenhill, Mr. Callaghan's special envoy, Mr. Smith rejects the Callaghan initiative, which has called for talks with all the disparate nationalist groups, saying at one point there would not be majority rule in a "thousand years".

In March Mozambique closed its border with Rhodesia, leaving South Africa as Rhodesia's only outlet to the sea. Over the weekend of June 18 to 20, Dr. Kissinger holds key talks in West Germany with Mr. Vorster as riots break out in black African townships in South Africa.

On September 5 and 6 Mr. Vorster and Dr. Kissinger hold their second round of talks in Zurich.

On September 11 Dr. Kissinger announced his Southern African peace initiative aimed at finding solutions to Rhodesia and Namibia (South West Africa). He arrived in Black Africa on September 14.

On the weekend of September 18 Dr. Kissinger arrived in Pretoria, the South Africa administrative capital, for a third round of talks with Mr. Vorster.

Mr. Smith flies down to Pretoria on Saturday, September 18, ostensibly to watch the fourth rugby Test between New Zealand and South Africa. On Sunday he meets Dr. Kissinger. On September 23 Mr. Smith lets it be known that a decision has been reached on the British-U.S. peace proposals.

When UN sanctions can be raised

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Sept. 24.

THE RHODESIAN Government's decision to bow to demands for early black majority rule is expected to lead to the lifting of the economic sanctions imposed by mandatory resolutions of the United Nations Security Council, but perhaps not as soon as some business interests might hope.

UN diplomats said to-day that the African States would wish to be assured of progress towards the implementation of Mr. Ian Smith's promises before agreeing to the withdrawal of international economic pressure.

Britain, which has been somewhat reserved in its reaction to the development of Dr. Henry Kissinger's southern Africa mission, also might continue to exercise caution on the sanctions question, these diplomats surmised.

It is assumed that when there is widespread agreement that the time has come to remove the UN embargo, Britain, which initiated the boycott, will ask the Security Council to meet to consider the matter, and adopt a new resolution in effect striking the Rhodesia sanctions orders off the books. Ideally, Tanzania, Libya and Benin, the Council's African members, should join Britain in such a move. This would remove any doubt of overwhelming council approval, and it might be unanimous.

Britain, the member State which has enforced the embargo the most stringently—there have been widespread contraventions by many countries, to which their governments appear to have turned a blind eye—would have to revoke the government's sanctions order which

has imposed in response to Security Council resolutions, in order to permit a legal return to economic relations with Rhodesia.

A number of other countries, including the United States, which adopted similar orders, would presumably take similar action. The constitutions of some States provide for automatic compliance with Security Council orders.

The Council is expected to meet next week to resume debate on the question of Namibia (South-West Africa), and Dr. Kissinger is due to report to the General Assembly on Thursday on his Africa mission. There have been suggestions that he may also address the Security Council, which will probably go on to discuss other aspects of the Southern Africa situation when the Namibia issue has been disposed of.

Soviets slam Rhodesia plan

By David Satter

MOSCOW, Sept. 24.

THE SOVIET Government newspaper, *Pravda*, blasted to-day that the Rhodesian leader Ian Smith probably cannot be trusted to carry out the transition to black majority rule and insisted that the core of the racial problem in Africa remains the system of apartheid in South Africa.

In a front-page commentary, *Pravda* said, "who is to be trusted? The ringleader of Rhodesian racists who even the New York Times calls an 'incorrigible hypocrite' will freely exit from the stage. The newspaper also said that the West is intent on preserving South Africa as a strategic stronghold.

S. Rhodesian Bonds and shares rise with hopes of settlement

By Keith Lewis, City Staff

ANTICIPATION of a settlement in Rhodesia led to a further bout of speculation in London yesterday in Southern Rhodesian Bonds, as well as in the shares of those companies with interests in the country.

The most heavily traded fixed interest stock was the 21 per cent. issue which ended £11 higher on the day at £80, having been as high as £85. At the beginning of last week the price stood at £78. The issue has not been paid on this stock since UDI in November 1965.

Southern Rhodesia 31 per cent., 1960-65, and the 41 per cent., 1967-82, started at £30 and ended at £40, having been as high as £47 and £45 respectively at their peaks. Over the past five business days the two stocks have added £11 apiece.

Of the industrial companies with interests in Rhodesia, Turner and Newall ended at 140p, down 2p on the day's trading but up 10p over the week. Lonrho, the mining and industrial group headed by Mr. R. W. Tiny Rowland, closed at 78p, having started the week at less than 70p.

The mining sector was active. MTD (Mangula) jumped from 110p to 120p, bringing the gain since Monday to 32p. Wankie Colliery added 6p to 51p, up 21p on the week, and Messina (Transvaal) put on 5p to 23p to make a 40p rise since last Friday's close. Globe and Phoenix were outstanding at 80p, up 50 per cent. on the week.

Rhodesia Corporation, up 7p yesterday to 25p, has more than doubled over the past few days and is now at 50p. The group, including the 25p at 83p, a jump of 43 per cent. in the five days.

Ford applauds American role

By Jurek Martin

WASHINGTON, Sept. 24. SHORTLY before welcoming Dr. Kissinger back from his African travels, President Ford went in front of the TV cameras this evening saying that Rhodesia's acceptance of the transition to majority rule was "an act of realism".

He said that Mr. Smith's decision had averted a threat to world peace and was the first step towards an independence in which all Rhodesians could live together in harmony. Mr. Ford paid tribute to just about everybody involved and, hoping perhaps for some domestic electoral profit from Dr. Kissinger's venture, expressed "satisfaction" with the American role.

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Mitsubishi wins new Iraqi thermal power contract

By Charles Smith, Far East Editor TOKYO, Sept. 24.

THREE members of the Mitsubishi group of companies have been awarded a \$1.7bn. yen credit (\$250m.) contract to build a giant thermal power station at the confluence of the Tigris and Euphrates rivers in Iraq. The group has just announced.

The power station will contain four generating units, each with a capacity of 300,000kw. It will serve the newly developing Iraqi industrial zone in the Al Basrah area where Japan has already secured one other huge contract. This was the \$170bn. yen credit contract awarded last year, also to the Mitsubishi group.

The 1973 fertilizer contract and this week's power contract are, respectively, the biggest and third biggest overseas plant contracts ever secured by Japan. The contracts are being financed in part out of Yen-denominated credit equivalent to \$1bn. which was promised to Iraq by the Japanese government at the time of the 1973 oil crisis. Fifty

Gulf agrees to settling of 8 suits

By Stewart Fleming

NEW YORK, Sept. 24.

THE BOARD of Gulf Oil has formally approved an out of court settlement of 18 past and present officers of the company associated with its multimillion dollar special payments fund.

Under the terms of the settlement, which will have to be approved by the court and shareholders, the executives will not receive several million dollars of emoluments due to them, including cash and stock options.

Ericsson denies allegations of bribes

By William Dullforce

STOCKHOLM, Sept. 24.

MR. Nils Tengberg, L. M. Ericsson's information director, categorically denied here to-day allegations in South American newspapers that the Swedish telecommunications group has paid bribes, in order to secure contracts in South America. He suggested that the allegations were being spread by a competitor at a time when several big new contracts are under negotiation in Latin American countries.

Gordon Tether, ex-Financial Times 'Lombard' Columnist, is now writing exclusively each Sunday in the Business Observer.

THE OBSERVER
Make the most of your Sunday

Getting back to business

THE heavy over-subscription of the new £600m. long tap, followed promptly by the offer of a further £600m. of the 11 per cent. 1979 stock, strongly suggests that the authorities are at last in a position to re-impose the monetary restraint which they have so far preached but failed to practise. The market is now behaving as if it believed that long interest rates have peaked, and that any further delay in investing the large sums which the institutions have accumulated in liquid assets will involve paying a higher price and getting a lower yield than is available at the moment. The terms of the new offer are calculated to encourage this sentiment; the authorities are putting the emphasis of their funding on the lowest available market yield, and dealers have read this as a signal that M.R. itself—unchanged yesterday—is bound to start coming down from its crisis rate of 13 per cent. very soon.

Follow-through

Given a sufficiently determined follow-through, which seems to be the Government's intention, the authorities seem after all to have achieved a situation very similar to that in October of last year, when the expectation of falling interest rates enabled the authorities to sell some £2.7bn. of stock to the non-banks public in a tidal wave of buying which reduced monetary expansion to an average of £150m. a month for the next five months. Thus falling rates produced tighter liquidity, and the shortage of funds in London kept sterling remarkably strong in international markets over the same period. When the subscriptions to the new long tap are settled next week the authorities will have reduced liquidity by something approaching £1bn. in a matter of days; and although this is only a third or less of the funding which will be required before next April, it will immediately produce considerably tighter conditions in London.

For the instant, then, the financial prospect is great deal less nerve-racking but the portents are mixed. The immediate "long-term" wage claim lodged by the Ford workers shows how formidable are the difficulties facing the TUC leadership. The Prime Minister, on the other hand, has won a victory over

the left wing in the National Executive Committee, and spoken more firmly than had been expected against the proposal to put nationalisation of the major banks and insurance companies into the party programme. The market may become bored with the never-ending struggle between moderation and militant irresponsibility; the trend of the trade figures may well prove the most important influence, apart from monetary conditions, on the fortunes of sterling. It is important, however, to keep the short-term transformation of the market outlook in perspective. What has happened is essentially technical. The technical failures of the authorities were perfectly evident when we criticised them in recent weeks; but a technical success at the moment has been bought at a considerable cost, not only in confidence, but in a level of interest rates which will undoubtedly discourage any revival in investment which industrial surveys may recently have suggested. Coupled with recent disappointments both about our own recent growth rate, which the latest official statistics show to have been very sluggish, and about prospects in Europe and for international trade generally, the economic outlook appears anything but bullish.

Re-learning

One lesson to be drawn from the summer's events apparently needs re-learning at frequent intervals: any deviation from a firmly anti-inflationary policy makes the economic outlook worse, not better. The second lesson has possibly not been learned at all: it is that reliance for monetary control on a market in Government debt which under present management methods inevitably progresses in large cyclical swings is no longer adequate in a situation where the margins for error remain desperately small. The accumulation of surplus liquidity during the market's sudden plunges tends both to create alarm and to depress the exchange rate, and some new thinking on the management of official financing is urgently needed. This is not a topic which can wait for the Prime Minister's inquiry into the City and its functions.

Letters to the Editor

Social security

From Mr. K. Burton.
Sir—Mr. Joe Rogaly's call (September 16) for a wide-ranging inquiry into the Social Security system deserves vigorous support. It is not good enough for the Secretary of State to decide that the best way to make further progress is to set up a small team of officials with his own department to review the issues identified in the report of Professor Donnan's Supplementary Benefits Commission. I yield in none in my respect for the quality of the senior Civil Service—none in my remaining assent from our Imperial past. It is, however, largely on the advice of officials that successive Governments have tinkered with the scheme. Moreover, officials are not necessarily the best people to achieve rationalisation and the saving of manpower in their own departments, conscious as they must be of the heat breath of Civil Service trade unions. Professor Donnan's commission expects that recent legislation will reverse the trend by which the numbers receiving supplementary benefits have increased by nearly three-fold since their introduction in 1945. It attaches special importance in this connection to the coming fully into operation of the new earnings-related pension scheme. In this it echoes what Ministers have said in justification of that scheme. The new scheme will not come fully into operation until the end of the century by which time those now in their middle forties will have become pensioners.

The truth is that the new scheme will collect extra contributions in respect of employees who are not members of pension schemes which satisfy the statutory requirements for contract insurance in order in the short run merely to provide a subsidy to those who are members of such schemes, by reducing their contributions (paid out of income after tax) and those of their employers to less than they are currently paying. A large class of beneficiaries of this process will be employees in the public sector service, including civil servants, who do not for their main benefit contribute themselves to their scheme. The extra contributions which are to be levied in

respect of those not contracted-out, if applied as an increase in the flat-rate retirement pension, would go a long way forthwith to relieving the need of the elderly to rely on supplementary benefits.

As part of a thoroughgoing process of review designed to enable us to learn from the experience of the past thirty years, the Secretary of State should commission an order bringing the new scheme into operation on April 6, 1978 so that this scheme, devised on optimistic assumptions of inevitable economic growth, can itself be reviewed and one would hope, revised before a new set of claims on future generations has been built up.

On one important aspect of the proposed composition of the Royal Commission—I take issue with Mr. Rogaly. The Beveridge committee is not a good model for the present purpose. The new body should be presided over by someone who commands wide public confidence and who is not closely associated with a pressure group, a political party or the Civil Service. Its members should have a wide variety of experience and it should not, like Professor Donnan's commission, be dominated by social administrators and sociologists. Kenneth J. Burton, Mount Cottage, Haverhill, Leamington Spa, Warwickshire.

Energy

From Mr. W. Whalley.
Sir—Joe Rogaly (September 21) refers to our car loving society. Undoubtedly he is correct over his whole life today is faster than we are finding new supplies, by 1990 the end will be in sight to all present sources. The alternatives for Britain all involve transferring the automotive load to central power stations. Whether battery vehicles, hydrogen, cable transmission, or bio-fuels, in varying degrees be employed in the public power station must generate electricity, including civil servants, who do not for their main benefit contribute themselves to their scheme. The extra contributions which are to be levied in

of all the power stations in this country. Obviously these engines are not all in use, or at full load simultaneously, although sharp peaks are apparent as we all notice.

As a first estimate, by the end of the century our children will be facing an electrical demand five times that of all presently existing central stations. The time scale for meeting such a demand can scarcely be less than 50 years. So what becomes of our car loving society? Academics discuss the energy crisis as though different forms of energy were readily interchangeable. Not a word is said about the social crisis which will hit this country, and indeed the entire world, when the man in the car finds it is to be taken away from him.

W. C. R. Whalley, 105, High Street, Hungerford, Berks.

Meanings

From Mr. E. Bateman.
Sir—The etymological point raised under "Meanings" (September 18) prompts a comment on the growing tendency to replace a common word by its antonym. We have long been familiar with the estate agents' euphemism "modern drainage" for the primitive system of cess-pit and soakaway, as well as the military usage of "defence" for aggression and Wehrmacht as the instrument of Blitzkrieg. It is much harder to swallow the term "private industry," as used by so many Socialist politicians to include the whole population of public companies.

E. H. Bateman, Sandridge Cottage, Upper Bourne, Farnham, Surrey.

Sterling

From Mr. W. Grey.
Sir—It is good to see that the real cost of what is euphemistically called our floating pound is at last beginning to sink in. Examples like Mr. Peter Kirwan's GLC Swiss franc loan 1973 (September 20) can, of course, be multiplied up and down the land, including Her Majesty's Government itself, almost times without number. Even then, the true total cost will never be known. According

to the Bank of England figures quoted in his preceding article by Samuel Brittan (September 16), the cost of supporting sterling—but for which goodness knows where it might "stand" to-day—was in the first half of this year alone amounted to over £2.5bn., which in turn is a mere, if rather big, drop in the ocean compared with the mismanagement of successive governments under the floating pound has cost us all these years. Moreover, the real cost to our living standards compared with the rest of the world, of which the fall in the external value of the pound provides some, albeit exaggerated, reflection, is all too likely to remain with us for years to come. Even with the (heavily mortgaged) benefit of North Sea oil, we shall all be having to run that much faster to stay in the same place.

The lesson is plain to see. Those who play with fire and run short of water are apt to get their fingers burned. If they play their hand, let them at least keep a line open to the international fire brigade—which, obliging as always, once again stands ready in the wings—and welcome, not spurn, the helping hand of their neighbours who have proved so much more adept at heading off the hazards of the game.

W. Grey, 12, Ardren Road, Finchley, N3.

Vets

From Mr. T. Leach.
Sir—Being involved with teaching a veterinary first degree, I read Michael Dixon's account (September 11) of Jill's difficulties over University entrance with considerable sympathy. There are, of course, many similar cases and it is always sad to witness the frustration of an enthusiastic youngster denied the opportunity to follow a career for which he or she has a strong sense of vocation.

Two points are made in the article, however, which are frequently brought up in discussions on this problem and deserve comment. He writes "The academic subjects of biology, physics and chemistry as studied for A-level syllabuses are a good deal removed from the practical work of a vet." but these subjects are basic to an

understanding of physiology, pathology, pharmacology and the other sciences that are applied daily in the veterinarian's work. The second point is the implication that, although other candidates were more successful academically than Jill, they might be less strongly motivated, or lack the practical enthusiasm or ability of those who failed to get a place. There is no evidence to support this proposition.

There is one ray of encouragement for today's Jills. Recent changes in the law on sex discrimination prevent limitation of places allotted to female applicants, which we male chauvinists have hitherto practised in a profession that has had a strongly masculine image. T. M. Leach, Melfort Abbey Barn, Woolley, Wiltshire.

MPs

From Mr. L. Sampson.
Sir—May I ask for any one of our Members of Parliament to state in public, where it is stipulated that "European MPs must come from or be Members of Parliament of this country. As I understand the regulation, anyone can stand for election to the European Parliament and there is no requirement of a balance of parties whatsoever. Is it yet another case of Members of Parliament being restricted to themselves? It is time someone informed the general public. L. J. M. Sampson, 18, Shelton Place, North Street, Exeter, Devon.

Psychometrics

From Mrs. Phyllis Morgan.
Sir—As a psychologist who has been in the selection testing field for over 20 years, I must take issue with a number of points in the article on recruitment (September 13). You refer to "horror stories" in companies doing their own interpretation of psychometric tests. The position in Britain today is that tests are not sold other than to registered users, and registration follows training on a

course approved by the British Psychological Society. You say small companies cannot afford a "whole programme of tests and exercises." Depending on the type of job, a battery of selection tests can cost from 50p per subject (apprentices and clerks) to £1 per subject (senior managers). The administration can take from 10 minutes to 14 hours, and several can be tested simultaneously. When you compare this with the cost of interviewing all candidates, including those who would be rejected by the test screen, the cost is insignificant. Training costs around £250 and lasts one week.

Your article suggests that "another problem arises in measuring the success" etc. There are standard validation procedures which form an important part of the courses run by this company, and we have factual evidence that the use of appropriate tests and validation procedures reduces selection errors with, for example, clerks, apprentices, graduates and junior managers. In the case of senior managers, numbers are too small for statistical evaluation, but experience in this field in major companies (including those mentioned in your article) shows that personality assessment of managers helps to spot those with personality problems which are unlikely to show up at interview. Phyllis Morgan, Courtyard House, High Wycombe.

Nationalisation

From Mr. G. Chase.
Sir—It is just possible that nationalisation of the banks is what the country needs. Immediately that nationalisation has taken effect then those who do not believe in it can take their business elsewhere. If this does not close the nationalised banks then it can only be assumed that nationalisation is what the country wants.

This is perhaps the first time that the man in the street can express an opinion on nationalisation. There are too many issues at an election to be sure of specific wishes. G. N. Chase, 67, Digswell Park Road, Welwyn Garden City, Herts.



Sixteen years ago John Kennedy showed his disdain for Richard Nixon in their TV debate, and Mr. Nixon discomfort with the Kennedy aura. Last Thursday President Ford and Governor Carter hardly ever showed their personal feelings towards each other in their dull debate.

The Jimmy and Gerry Show

From JUREK MARTIN, U.S. Editor, Washington

THE great debate only really came alive very briefly just before it succumbed to electronic cardiac arrest. Mr. Frank Reynolds, one of the panel of journalists, had asked perhaps the evening's most provocative question of President Ford about the anti-Washington sentiment abroad in the country, hinting at the involvement of Senator Hugh Scott and Gulf Oil in illegal campaign financing. Mr. Ford replied predictably and aggressively that the nation should focus on the Democratic-controlled Congress for its profligacy and even its morality and that the country needed to check the excesses of a Democratic Congress. Imagine what would have happened, Mr. Ford said, if Governor Carter had been President for the last two years.

and that, to all intents and purposes, was that. The debate, on which so much hung, made neither great television nor stirring entertainment. Neither man made a mistake of any consequence, it seemed, so well were they prepared. Almost identically dressed in "Presidential" dark blue suits and dark red ties, both perspired under the television lights. Mr. Carter first, Mr. Ford as much in the end, but neither presented the picture of patent unease that Vice President Nixon gave 16 years ago in his first confrontation with John F. Kennedy.

A welter of facts

The questions put to them were not out of the ordinary. Mr. Carter was not embarrassed about his Playboy Magazine interview on sex and morality, nor Mr. Ford with probing on his free holidays by the courtesy of U.S. Steel. They were asked mostly about the state of the economy, unemployment, inflation, taxes, the balanced budget, energy policy and bureaucratic reorganisation, and both replied with a welter of facts and figures that must have bemused the 100m-plus Americans who chose to watch them on television. But in so doing, neither broke new ground and neither said anything that has not been said many times over in the course of the long election year.

A referee's score card

This, perhaps, was only to be expected, given the thoroughness with which both had prepared for the debate. But this is an election—as has been said over and over again—in which

the enunciation of specific issues is taking second place to the more nebulous concepts of "trust," "character," and "image." In this sense, the confrontation had had all the advance publicity of a prize fight. Could the fast-footed, quick-punching Jimmy Carter, floating in the manner of Muhammad Ali, like a butterfly and stinging like a bee, be caught by the Joe Frazier of politics, Gerald Ford, more ponderous but carrying the heavier

children have been the victims of mass education. But generally he rarely faltered, and often took the offensive to Mr. Carter. He noted, for example, that Mr. Carter had vetoed more legislation about the cost of the Democratic Party platform and the profligacy of the Democratic Congress (just as Mr. Nixon had done 16 years earlier), Mr. Carter of the high rate of unemployment and inequities in the tax system, just as Senator Kennedy had done before him.

The difference between 1960 and 1976, however, lies in the fact that Senator Kennedy, probably no more known nationally than Governor Carter is now, was reckoned to be slightly behind Vice President Nixon, whereas to-day it is generally thought that President Ford is trailing Mr. Carter by a bigger margin (though by nothing like as much as was the case a few weeks ago). Mr. Kennedy gained only a little as a result of the first debate in 1960, but it was enough; the question to-day is whether Mr. Ford, who needs to pick up more, has succeeded in convincing those who have not yet made up their minds—perhaps as many as one-third of the electorate—that there is no point in changing the occupant of the White House.

It is unlikely that either man damaged his established base. Indeed Mr. Carter, whose energetic campaign has not been running smoothly of late, may have reassured doubting Democrats that he does know what he is doing. Since the Democrats outnumber the Republicans by nearly two to one in the country, this would in theory leave Mr. Carter with still the larger foundation.

But no-one is quite sure whether the nation is going to split on party lines or vote with

lican must, that the Democrats out regard to affiliation, or perhaps most important, not vote at all. The trouble with Thursday night's debate is that the civilised and serious though it was, it was also extremely dull. It is, of course, possible that the next two debates—on foreign and defence policy on October 6 and a free-for-all on October 22—will be livelier, particularly if the format is changed to permit the two men to address each other more directly. The suspicion is, however, that the next debates will have far smaller audiences than Thursday night's and that if sparks do fly they will set much smaller fires alight.

For his part, Mr. Carter at least proved that he was fit to stand on the same stage as Mr. Ford. He might, it seemed to me, have attacked the President in the early rounds, with Mr. Carter counterpunching more effectively as the bout went on. Mr. Carter did seem visibly nervous at the outset, Mr. Ford more assured and with good command of his material. This could well be significant, because the debate was largely so knowledgeably as the President said that he had held the attention of the public for its full 90 minutes. Those whose attention did wander may well be left with their impressions of the opening half hour, which went on points to Mr. Ford.

The President needed to prove that he has the knowledge and competence to govern, attributes that he is not always given credit for. He did not fail in this task: he had his figures well marshalled, his debating points at the ready and his sometimes suspect command of the English language under control. He made a slight hash of the Federal Reserve's monetary policy (which nobody probably noticed so lauded was the audience with figures) and, in two men to stand out in sharp contrast. Rather it stayed inside the strange comfort of non-traditional party lines. Mr. Ford, argued, as any Repub-

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Economics of a Rhodesian settlement

BY TONY HAWKINS

A LIFTING of the sanctions applied against Rhodesia would offer considerable economic opportunities for both British and Rhodesian businesses, but it is unlikely that Britain will ever regain her position as Rhodesia's chief trading partner.

In the 11 years of economic sanctions, the structure of the Rhodesian economy has changed considerably. What prior to 1965 were British spheres of economic influence—banking and insurance, tobacco, motor vehicle assembly and the supply of a wide range of imports—have changed radically. A banking system that used to depend upon seasonal drawings on the Rhodesian banks—especially Standard and Chartered, Barclays and Grindlays—has become much more self-reliant. The insurance industry has severed many ties with London, Japanese, French, Italian, and German vehicles are now being assembled at assembly plants that used to make Ford, and Morris and Austin cars.

A great proportion of the imports once supplied from Britain are now either manufactured locally or provided mainly by South Africa, France, West Germany, Italy, or Japan.

On both the export and import sides, Rhodesia has built up new trade channels, many of which are likely to survive the transfer of power from minority to majority. If the experience of many other African states is any guide, much of the economic power will remain in white hands for the foreseeable future. While it is possible that there will be a backlash reaction against South Africa (both for selling white Rhodesia down the Limpopo and for exploiting it), Rhodesian business during the

sanctions period), the likelihood remains that many of the channels established in the past decade will be maintained and developed, leaving Britain out in the relative cold.

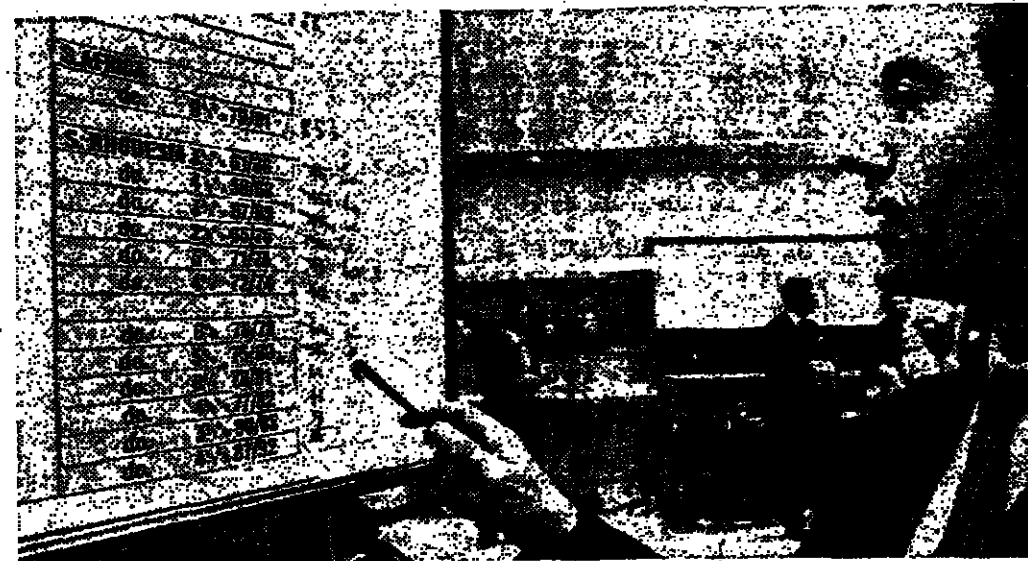
Of course, there are so many exceptions and so many imponderables that any general forecast could prove to be misleading. The exceptions relate mainly to the attitudes of British concerns already heavily invested in Rhodesia and which—many cases—have prospered greatly in the past decade. Prevented from repatriating profits and dividends to their head offices, they have diversified and expanded on a scale that would never have been seen under different conditions. Industrial concerns such as Dunlop, Unilever, and their London-based offices, have become much more self-reliant. The insurance industry has severed many ties with London, Japanese, French, Italian, and German vehicles are now being assembled at assembly plants that used to make Ford, and Morris and Austin cars.

The two main imponderables centre around the transfer of power. What type of black Government will emerge? Will it be one—possibly led by Mr. Joshua Nkomo—favouring close links with the West and anxious to co-operate with Western business, or will it be more radical, committed to nationalisation especially of large-scale mining and agricultural enterprises? The Muzorewa wing of the African National Council is on record in favour of such a policy.

Second, how will the 278,000 whites react? Will they continue to leave in large numbers, accentuating an already serious shortage of skills. Above all, what will happen to white agriculture? Unlike most African countries, Rhodesia is not only virtually self-sufficient in food, it is also a major exporter of foodstuffs (maize, sugar, meat).



At Rhodesia House yesterday the blinds were still drawn . . .



... but on the Stock Exchange dealers were marking up Rhodesian bonds

and of agricultural raw materials (cotton and tobacco).

If the settlement package ensures that this bulkward to the economy is retained and more over opens the way for development of the backward African farming sector, then it will produce an economic climate markedly different from that experienced in other independent black states in Central and East Africa where agriculture has gone steadily downhill.

Provided there is an orderly transfer of power to a moderate (non-Marxist) nationalist Government, and given an early lifting of sanctions, the Rhodesian economy should enjoy a period of considerable prosperity. Even under sanctions and in an escalating war, Rhodesia's per capita income has been growing more rapidly than that of the majority of developing countries. In real terms the economy has expanded

at an average rate of some 6 per cent. a year since 1965.

But it is going to take time to unravel the complex effects of 11 years of sanctions, both at the macro- and micro-economic levels. Even with a compensation arrangement for whites, it will be necessary to maintain import controls. Accordingly, there is unlikely to be an overnight bonanza for British exporters, or for British companies wishing to repatriate funds from Rhodesia. Furthermore, industrial output which has risen by some 80 per cent. since 1965 could not be jeopardised by the immediate lifting of import controls since that would pose severe problems for many industries.

For this reason, the flow of Rhodesian exports to Britain may revive more rapidly than shipments in the reverse direc-

tion. True, there are some obvious areas which British business could exploit and where import curbs are unlikely to prove a problem, the most obvious of these being the capital equipment sector. Many Rhodesian industries and public services (such as Air Rhodesia and the Post Office) use ageing equipment which is overdue for replacement and present an obvious market for British exporters.

British tobacco manufacturers have been paying substantially higher prices for tobacco produced in Malawi, Zambia, and elsewhere than those ruling at the secret Rhodesian auction sales in Salisbury. Rhodesia produced its second-largest ever tobacco crop last season. It has not sold well, so that there are obvious opportunities there for those British companies which have kept up their Rhodesian

presence although, of course, not buying Rhodesian leaf since 1965.

Rhodesia will be seeking to regain preferential entry into the British market for sugar and meat (which would require a political gesture from the EEC), and cotton—which was not exported at the time of UDI—may join the list.

A financial settlement, which would be very complex, must involve redemption and service payments on Rhodesian bonds raised on the London capital market before UDI. Interest and redemption has, of course, been paid to stockholders in Rhodesia or South Africa throughout the period, but there is a substantial backlog to be made up on both sides. Rhodesian holders of British securities have had their income frozen, but the balance of such payments will be in Britain's

rather than Rhodesia's favour.

There is also the question of the World Bank loans to Rhodesia for the Kariba project, which were guaranteed by the U.K., and on which Rhodesia has refused to make payments because of the sanctions campaign.

Rhodesia should not find these obligations too onerous since any final settlement would bring with it substantial international economic aid. A privately-financed Foundation (the Whitson Trust) has in the past year been concentrating on drawing up a portfolio of vested investment projects—mainly in the field of African rural development, agriculture, and the like—which would open the way for international agencies, such as the World Bank, to participate in new projects at short notice.

Individual British companies to benefit would include the tobacco groups, Turner and Newall with its wholly-owned mining and manufacturing companies; Louhrig with its Coromation Syndicate copper and gold mining group and a range of industrial investments. In the financial sector, the banks—Barclays, Grindlays, and Standard—Chartered—and these obligations too onerous since any final settlement would bring with it substantial international economic aid. A privately-financed Foundation (the Whitson Trust) has in the past year been concentrating on drawing up a portfolio of vested investment projects—mainly in the field of African rural development, agriculture, and the like—which would open the way for international agencies, such as the World Bank, to participate in new projects at short notice.

But it would be wrong to ignore the real economic importance of a settlement which lies in the impact it could have on the economy of the entire sub-continent. From a return to normal trade and above all normal transport Zambia, Zaire, Malawi, Mozambique, Botswana, and South Africa all would stand to gain.

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LABOUR NEWS

Ford workers 'will not break pay policy'

BY OUR LABOUR CORRESPONDENT

FORD MOTOR management is to reply next month to demands for pay increases of up to 50 per cent. pay rise policy was put forward by unions representing 56,000 manual workers.

This seemingly massive challenge to the Government's 4½ per cent. pay rise policy was put forward by Mr. Barbara Evans, national organiser of the Transport and General Workers' Union and leader of the Ford union negotiating team.

He repeated that the Ford workers would do nothing to break the pay policy in the coming year but added: "There is nothing in the social contract to prevent a company saying they will do something to meet the genuine aspirations of the workers when they can."

Although they are claiming ultimate pay parity with 50 European workers—up to 50 per cent. for some workers—the unions realise that for the present they will have to comply with the £2.50 to £4 a week pay policy limit. They also hope for

an improved guaranteed-week to reply next month to demands for pay increases of up to 50 per cent. pay rise policy was put forward by unions representing 56,000 manual workers.

Other items in their list of demands include shorter hours and longer holidays. But the unions realise there is no scope for improvements on these issues under the present policy.

Commenting on the longer-term aim of pay parity with European Ford workers, Mr. Evans said there were differences ranging from 13 to 50 per cent. between rates paid to Ford's German and Belgian workers and to their British counterparts.

Yesterday's meeting was lobbied by Ford workers carrying placards saying: "The seamen how the way fringe benefits for Ford's day."

Mr. Evans, stressing that the Ford claim was drawn up last month and had not, therefore, been influenced by the seamen's settlement, said: "What the seamen got was within the social contract. We shall work within that, too."

Construction union vote preserves moderate lead

BY OUR LABOUR STAFF

KEY ELECTION results in the 274,000-member Union of Construction, Allied Trades and Technicians declared yesterday revealed no significant shift in the balance of power on the union's executive. In the four results declared, left-wingers Mr. Hugh D'Arcy and Mr. Albert Williams were returned to the executive. As were moderates Mr. Glen Lloyd and Mr. Danny Crawford.

Although there was no immediate change in the political complexion, a planned streamlining of the 11-man executive over the next few

years is expected to increase the left-wing influence in the union. The executive is now split 8-3 in favour of the moderates, but they hold the four seats to be lost in the reorganisation.

An indication of the increasing militancy among construction workers—one of the groups hit hardest by the economic recession—was a conference decision earlier this year to oppose the new pay policy, against the recommendations of the executive. However, a national ballot reversed this decision, putting the union behind the policy.

Pension Board Limit on union nomination

BY ERIC SHORT

THE MINISTER of State for Social Security, Mr. Stanley Orme, has confirmed that the Government's proposals for trade unions to have the sole right of nominating the 50 per cent. member representation to boards of pension schemes will not apply to pension schemes in which members were not involved at all.

This concession was stated at a meeting between Mr. Orme and a delegation from the Association of British Chambers of Commerce to discuss the Government's White Paper on member participation in pension schemes.

Mr. Orme affirmed that the sole right to appoint the member representatives in companies which were only partly unionised. The association welcomed the assurance as a half-way step to its basic view that representation through trade unions should not be imposed on the unwilling. It would like to see the provision for participation by employees arranged through the election of representatives by the employee-members of any scheme.

The association expressed its concern to Mr. Orme over the requirements of legislation on

NUBE will go it alone

By Our Labour Staff

THE NATIONAL Union of Bank Employees has decided to go ahead with its threat to pull out of the joint negotiating machinery in the English clearing banks.

NUBE, with about 53,000 out of the total clearing bank membership of 200,000, claims to have been frustrated by the numerical majority of staff associations on the Banking Staff Council.

The union hopes that an independent approach to negotiations will give it a greater edge in its attempts to increase its membership at the expense of the staff associations.

Machine tool orders represent work for only about 6 months

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE MACHINE tool industry's order books at the end of June represented no more than six to seven months' work, statistics published yesterday show.

The Department of Industry says this is thought to be the lowest acceptable level for the industry. However, the volume of new orders in the three months to June showed a considerable improvement on the previous quarter and the Department says the current international exhibition, MACH 76, at Birmingham may be expected to produce a considerable upturn in the order books.

This judgment, voiced yesterday in Trade and Industry magazine, is echoed by many of the U.K. exhibitors at Birmingham. They feel that many potential machine tool purchases have been held back until companies have had a chance to see the new products on show.

But the mood of the industry has changed in recent months and there is no suggestion that there will be a dramatic surge in demand. Instead the manufacturers expect a very gradual climb out of recession.

There are certainly some large projects in the pipeline but mainly these are tended to be long-term orders, with delivery times of 18 months or more. The order books are stretched, however, the first of what could amount to £100m. worth of machine tool orders from Poland over the next year are close to being completed.

Water rationing has been announced in south-east Wales—the first part of Britain to have domestic supplies cut.

Water rationing for 30,000 people in the Sirhowy valley, area of Gwent came to an end yesterday, following rain. The move is accompanied by the lifting of a 50 per cent. restriction on industrial use. The restoration of the supply, however, covers a relatively small part of south-east Wales affecting about 20,000 people. There are still about 1m. people in the area whose supply is rationed.

The northern part of the valley draws supplies from the small Shon Sheffrey reservoir, which fills and empties quite quickly.

The news from Gwent was accompanied by a warning from the National Water Council that it could not be taken as a national pointer. And it comes alongside plans by the Severn Trent Water Authority to introduce rationing by the end of October unless there is substantial rainfall and water consumption, now 80 per cent. of normal, is reduced still further to 60 per cent.

The authority has 65 days' supply left and says it will need to make a decision on further restrictions, including applying for rationing powers, should the supply fall to 50 days.

Rain in the Severn Trent region has fallen on areas of dense population, rather than on the catchment areas, according to Mr. Donald Reetz, the

authorities' director of operations. A similar experience has been reported in general from south Wales.

The Welsh Water Authority has instituted 17-hour overnight cuts and in England such rationing that has been imposed has been through the introduction of standpipes.

A call for people to reduce use of water by 10 gallons a day was made yesterday by Mr. Peter Hall, chairman of the Thames Water Authority. He advocates showering instead of bathing; washing-up once a day; and flushing lavatories with buckets of bath or washing-up water.

Next World Cup to cost networks less

BRITISH television and radio services will pay less for rights to cover the 1978 World Cup football finals in Argentina than they paid to cover the last World Cup in West Germany in 1974. This has been secured through a consortium of three broadcasting unions, including the European union to which the BBC and ITV belong, buying the world rights to television and radio coverage of all the 1978 matches.

The cost of the rights is still secret, but Mr. William Ward, head of the European Union's World Cup group said in-day: "It is a good agreement."

Economic Diary

company investigations. Pall Mall, London. Lord Watkinson, president of the Confederation of British Industry, opens International Industrial Film Festival, National Film Theatre, London.

Quarterly analysis of bank advances (mid-Aug.). New construction orders (July). National Food Survey report on consumption (2nd qtr.).

Department of Trade inspectors to discuss procedures followed in

reading in Lords. London meeting of chief executives of shipbuilding, repairing and marine engine companies. Housing starts, completions and grants (Aug. prov.).

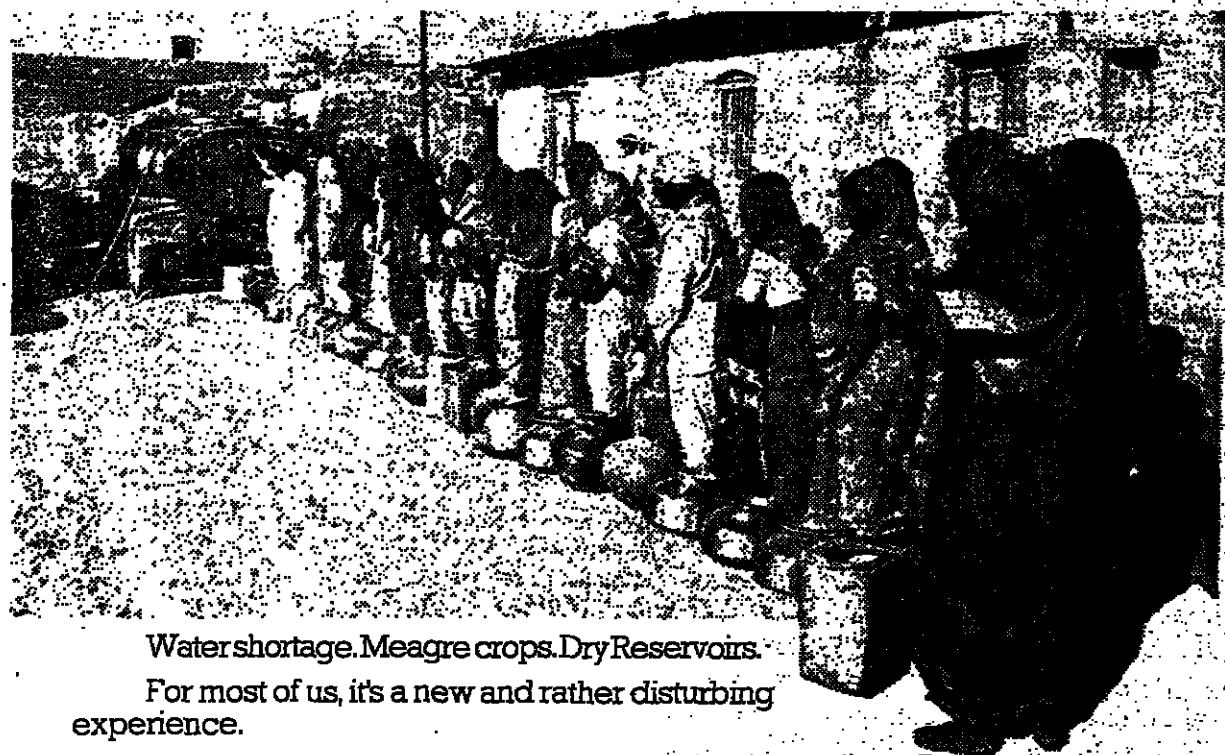
WEDNESDAY—EEC economic and social committee plenary opens in Brussels.

THURSDAY—Mr. Denis Healey, Chancellor of the Exchequer, at annual meeting of Common-

Hong Kong. Police Federation meeting on pay dispute, Central Hall, London. Energy Trends publication. Brick and cement production (Aug.). DOB Garretts will include final unemployment figures (Aug.). Employment in production industries (July), overtime and short-time working in manufacturing industries (July), and stoppages of work due to industrial disputes (Aug.).

FRIDAY—British Gas to raise tariff charges by an average of 12 per cent. Domestic coal price increases come into effect. Measures to improve export credits guarantee scheme.

IN BRITAIN IT'S A CRISIS. IN INDIA IT'S A FACT OF LIFE.



Water shortage. Meagre crops. Dry Reservoirs.

For most of us, it's a new and rather disturbing experience.

But for many people in the poor world, it's just another miserable fact of life.

One billion of the world's people, never have access to a really safe supply of water. Which means that if the water's there, it's dirty water, with all the danger of disease and ill health that that brings.

And here's another fact of life that we might all remember as we turn off our taps. Half the women of the world don't have taps to turn off. They have to fetch and carry their family's water supply every day. Which often means walking many grueling miles in the full heat of the sun.

Ever since Oxfam started we have been helping communities round the world to improve their sources of water.

Just recently we've been digging wells in Brazil. We've made dams for irrigation and drinking water in Uttar Pradesh, India. And we've piped water to mountain villages in Lesotho, Southern Africa.

Just so that they can enjoy the basic supplies that we all enjoy. Even during our drought.

While you're saving water this year, won't you please help us bring it to some of the millions who never have enough?

Please send your donation to Malcolm Harper, Room 27, Oxfam, Oxford.
Name/Address

To find out more about what Oxfam is doing to help combat drought, please write to the above address.

FT 25/9/76
OXFAM

مجلس من الاصل

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Early decline checked: off 1.5 NEW YORK OVERSEAS SHARE INFORMATION

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 24

FURTHER LOSSES were recorded on Wall Street today, following the record jump in the nation's money supply, but the downward trend was checked after Citicorp's acceptance of a 61 per cent prime rate.

After opening 500 down at 1004.80, the Dow Jones Industrial Average partially recovered to 1009.31, for a net loss of 1.39 on the day but a gain of 1.51 on the week to 1012.1. The NYSE All Common Index, at 337.02, was off 0.65 on the day but still up 23 cents on the week. Losses led gains by 912-to-532, while the trading volume further decreased 6.81m. shares to 17.4m.

Stocks showed no apparent reaction to the Fed Carter nationally televised debate last night on economic and domestic issues.

Polaroid was up \$2 to \$44. But Standard Brands further declined \$12 to \$291.45, its 1976 profits "wouldn't be appreciably higher than a year ago."

National Semiconductor recovered \$2 to \$381.

CBC fell \$11 to \$392. General Mills \$11 to \$301 and Outboard Motors \$11 to \$371.

Digital Equipment added \$1 to \$130.

Superior Oil climbed \$4 to \$207. Procter and Gamble \$1 to \$97, and Fairchild Camera \$11 to \$331.

Motors were mostly higher, while Steels were mostly to slightly easier.

The American SE Market Value Index edged up 0.02 to 103.68, but declines led advances by 298-to-290.

FRIDAY'S ACTIVE STOCKS

| Stock | Sept. 24 | Sept. 23 | Change |
|------------------------|----------|----------|--------|
| Polaroid | 44.00 | 42.00 | +2.00 |
| Procter & Gamble | 97.00 | 96.00 | +1.00 |
| Standard Brands | 291.45 | 303.45 | -12.00 |
| General Mills | 301.00 | 312.00 | -11.00 |
| Outboard Motors | 371.00 | 382.00 | -11.00 |
| Digital Equipment | 130.00 | 129.00 | +1.00 |
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OTHER MARKETS

Canada down

Canadian Stock Markets were again lower yesterday, with Base Metals, up 0.25 at \$7.65, still the only firm sector.

The Industrial Index shed 0.31

Indices

NEW YORK - DOW JONES

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| NYSE All Common | 337.02 | 337.67 | -0.65 |
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| NYSE 30 | 1012.10 | 1010.59 | +1.51 |
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| NYSE 700 | 1012.10 | 1010.59 | +1.51 |
| NYSE 800 | 1012.10 | 1010.59 | +1.51 |
| NYSE 900 | 1012.10 | 1010.59 | +1.51 |
| NYSE 1000 | 1012.10 | 1010.59 | +1.51 |

* Based on index change from July 1

STANDARDS AND POORS

| Index | Sept. 24 | Sept. 23 | Change |
|------------|----------|----------|--------|
| Industrial | 118.81 | 118.54 | +0.27 |
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F.T. CROSSWORD PUZZLE No. 3.192

A prize of £3 will be given to each of the senders of the first three correct solutions. Solutions must be received by next Thursday, marked Crossword in the top left hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

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Postcode

Country

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Telex

Fax

E-mail

Internet

World Wide Web

Usenet

Bitnet

Decnet

Vnet

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Talks continue on Slater extradition plea

BY MARGARET REID

A DECISION has not been made by the Government on whether to set up a legal hearing on the extradition of Mr. Slater, a former officer of the Singapore Government, to face charges of fraud and other criminal offences.

The Home Office said yesterday that Mr. Slater, a former Secretary, had not decided to issue an order to Bow Street magistrates to hear the request made by Singapore for the extradition.

The office added that the London solicitors for the Singapore Government — Charles Russell, of Lincoln's Inn — had been in touch with the Home Office and that discussions were continuing. A decision is considered likely to take weeks rather than days.

Senior Home Office lawyers are examining Singapore's 100-page request containing allegations against Mr. Slater and the others. All are former senior executives of Haw Par Brothers International, in which Slater was chairman, until last October, had a large share stake from 1971 to 1974.

Cunard reports progress over MFC ships deal

BY KEVIN DONE, INDUSTRIAL STAFF

CUNARD STEAM Ship Company said yesterday that considerable progress had been made towards the purchase of the 12 remaining U.K.-registered refrigerated cargo ships owned by Maritime Fruit Carriers.

The strong note of optimism for the successful completion of the proposed \$102m. (£55.6m.) deal follows agreement on satisfactory arrangements for the chartering of the ships with Salen, the Swedish shipping line.

Refrigerator exports up

BY JAMES McDONALD

EXPORTS of domestic refrigerators continued to rise in July, with 24,882 units sold abroad, compared with 11,805 12 months before — an increase of 118 per cent.

By value, exports amounted to £9.8m., 53 per cent. higher, reflecting the lower value of sterling.

July also saw a further big increase in deliveries of home-produced and imported models to the British market, bringing the total for the first seven months of this year to only marginally below that for the same period of last year.

Coal shortage in Yorks.

YORKSHIRE'S pit-head coal stocks have slumped to their lowest level since the miners' nationwide strike four years ago. Local coal merchants say they cannot meet demands flooding in to beat price rises due for Oct. 1.

A Coal Board spokesman blamed sanctions imposed by pit deputies — and an extra week's holiday taken by Yorkshire miners this month.

FFI TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received no later than 1.10.76.

| Term (years) | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Interest % | 12 1/2 | 13 1/2 | 13 1/2 | 13 1/2 | 13 1/2 | 13 1/2 | 13 1/2 | 14 1/2 |

Rates for larger amounts on request. Deposits to, and further information from, The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-428 7822 Ext. 244). Cheques payable to "Bank of England, a/c FFI". FFI is the holding company for ICFC and FCI.

An initial high income and potential capital growth

FROM THE ARBUTHNOT HIGH INCOME FUND

This leading fund from Arbuthnot Securities is designed for investors who require a high income and a measure of capital growth so that their original investment might keep pace with inflation in the long term.

The Fund is invested in a wide spread of ordinary shares with a proportion invested in preference and convertible shares to provide added stability and security of income.

The price of units and the income from them may go down as well as up.

Fixed price offer until 5pm October 1, 1976 at 32.1p per income unit (and 39.1p per accumulation unit) or the daily prices if lower.

GENERAL INFORMATION

Arbuthnot Securities Limited, 100 Broad Street, London EC2M 6TH. Tel: 01-428 7822. Telex: 250000. Cable: ARBUSEC.

Arbuthnot Securities Limited is a member of the Association of Investment Companies Limited (AIC).

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This week's SE dealings

Friday, September 24 4,166 Wednesday, September 22 4,298 Monday, September 20 4,178
Thursday, September 23 4,143 Tuesday, September 21 4,403 Friday, September 17 4,227

The following table shows the prices at which bargains were made during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each column follows the terms of the auction. The last price and the date of the last deal are given in parentheses. The first price and the date of the first deal are given in parentheses. The last price and the date of the last deal are given in parentheses. The first price and the date of the first deal are given in parentheses.

Bargains at Special Prices. A Bargains date with or between non-members. Bargains date with or between non-members. Bargains date with or between non-members. Bargains date with or between non-members. Bargains date with or between non-members.

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